

National Workshop on Urban Governance with Reference to Urban Poverty



A PROCEEDING REPORT

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Kathmandu, Nepal

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Ministry of Urban Development

UN HABITAT



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A Proceeding of National Workshop on Urban Governance with Reference to Urban Poverty

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Abbreviation & Acronyms

AAIN	: ActionAidInternational Nepal
CEO	: Chief Executive Officer
CIUD	: Centre for Integrated Urban Development
DUDBC	: Department of Urban Development and Building Construction
FES	: Frederic Evert Stiftung
FNCCI	: Federation of Nepalese Chamber of Commerce& Industries
GDP	: Gross Domestic Production
GIZ	: German International Cooperation
KMC	: Kathmandu Metropolitan Corporation
KUKL	: Kathmandu Upatyaka Khanepani Limited
KVDA	: Kathmandu Valley Development Authority
HNN	: HomeNet Nepal
MCPM	: Minimum Conditions and Performance Measures
MDG	: Millennium Development Goal
MoUD	: Ministry of Urban Development
MoCPA	: Ministry of Cooperative and Poverty Alleviation
NMES	: Nepal Mahila Ekta Samaj
NPC	: National Planning Commission
PAF	: Poverty Alleviation Fund
TU	: Trade Unions
UN Habitat	: United Nations Human Settlements Program
UEIP	: Urban Environmental Improvement Project
UNDP	: United Nations Development Program
VDC	: Village Development Committee

Acknowledgement

To bring urban issues into attention of policy makers, planners and key actors, an intervention was very much required at this point of time which was finally held by the joint effort of 7 key organizations in November, 2012. I would thank ActionAid International Nepal for its valuable technical support provided to organize the workshop. Similarly, I would thank Ministry of Urban Development for joining hands to organize the workshop. I would also thank UN Habitat for being part of the organizers. Similarly, I would thank Nepal Mahila Ekata Samaj, Lumanti and CIUD for their partnership and all the cooperation.

My sincere thanks go to honorable Secretary at Ministry of Cooperative and Poverty Alleviation Mr. Rana Bahadur Shrestha for accepting our humble request and to inaugurate the workshop. I also extend my sincere thanks to Mr. Suresh Prakash Acharya, Joint Secretary at Ministry of Urban Development, Dr. Pushkar Bajracharya, Former Member at the National Planning Commission, Ms. Lajana Manandhar, Executive Director at Lumanti and Dr. Chandra Dev Bhatta, Program Officer at FES Nepal for presenting highly resourceful papers on respective topics of the workshop.

Similarly, I would thank Prof. Dr. Jagadish Chandra Pokhrel and Dr. Pitamber Sharma, Former Vice-Chairman of NPC, Dr. Horse Matthaeus, Coordinator, Governance Project at GIZ and Mr. Keshav Sthapit, Commissioner at the Kathmandu Valley Development Authority for chairing the respective sessions of the workshop. Now, I would thank all the valued representatives who took part actively in the discussion and contributed significantly to make the workshop a fruitful. I would thank Mr. Prafulla Man Singh Pradhan, UN Habitat Regional Adviser for his crucial contribution to facilitate the floor for active discussion.

I would thank all the officer bearers, colleagues and volunteers for their excellent work towards making the workshop a grand success. I would thank Mr. Govinda P. Acharya, Project Coordinator-Governance and Democratization Initiative, AAIN for his effort for the conduction of this vibrant workshop and to bring this proceeding of the workshop. I would thank Mr. Prakash Amatya, for excellent note keeping and for drafting the proceeding of the workshop.

Finally, I would like to specially thank Prof. Dr. Jagadish Chandra Pokhrel, Dr. Pitamber Sharma, Mr. Suresh Prakash Acharya and Mr. Prafulla Man Singh Pradhan for their significant contribution towards bringing this proceeding in such a fine-looking form. I do hope, the finding of the workshop will be useful to the concerned policy makers, planners and scholars.

Best Regards,
Om Thapaliya
Executive Director/HNN

Executive Summary:

Since long, it has been felt by several stakeholders that there are number of issues in urban context to be addressed and resolved. The latest data shows that at least 17 percent of the people live in the cities. The urbanization is growing even faster in comparison to previous decade making urban problem more complex and urban services weaker.

After 2004, the state has not been able to experience the local body election yet. The tenure of the local body had been over from 2008. In absence of the elected body both in VDC and Municipalities, there has been adverse effect both in governance, in public services and also in local development initiatives. As Local bodies are headed by the bureaucrats, accountability mechanism is not functioning due to the lack of elected representatives at local level. The provisions made under Local Self Governance Act are also becoming dysfunctional. In such a situation, the importance of urban governance is even more noticed in the present context. Ms. Sudha Shrestha, Sr. Technical Adviser at UN Habitat also expressed similar opinion that most of the urban planners still do not agree with the need of any intervention focusing on city as they feel the cities are already developed. She added but, being in urban, a huge number of people are socially, economically and politically deprived.

Due to lack of urban good governance, the quality of essential urban services such as health, sanitation, education, water, electricity, cooking gas and many other have been deteriorated remarkably by which the urban dwellers especially urban poor are severely suffered. The concerned local authorities responsible for such services are seemed to be less accountable to the people and due to lack of friendly environment there has been a low degree of pressure from the rights holders up to the upper level of the authority. Such situation again causes multiplier effect in the lives of urban poor as they need to pay a huge amount of their hardly earned money for their health care, pay for drinking water from private suppliers, to pay for their children's education in private school, to pay unnecessary extra money for fuel and other household commodities by blindly accepting the uncontrolled price hike. As a result of the poor governance, the authorities responsible to listen the grievance of the service seekers are also not performing properly leaving the poor people in the cities poorer and suffered.

Considering Urban Governance as a major issue in respect to the urban poverty, the national workshop was held jointly by AAIN, HNN, MoUD, UN Habitat, NMES, Lumanti and CIUD successfully on 29th November, 2012 in Kathmandu. The intrinsic objective of the workshop was to bring all the stakeholders, planners and policy makers together in a forum for an active discussion on the various issues around the urban governance with reference to urban poverty

The engagement of MoUD of the Government of Nepal and UN Habitat as most prominent UN agencies concerned for urban issues and 5 other most like-minded and dedicated organizations as organizers of the workshop itself was a great success. Similarly the involvement of the Secretary of the MoCPA as a Chief Guest and his official commitment has also shown the possible collaboration as an

intended result of the workshop in the future. Further, the involvement of nearly 90 most selective participants representing various governmental and non-governmental organizations including individual experts also contributed much to the active discussion on the set agenda of the workshop.

Also, the presentation of 4 most thoughtful and informative resource papers on 4 selective topics along with ample of supplementary and complementary data and analysis by the Former Member of NPC, high level official of the Ministry of Urban Development, an experienced and dedicated activists and by the contemporary scholar have brought all the dimension on urban governance, its importance in the present context into the delivery of essential public services and also at the city development process as a whole.

The need of redefining the poverty and setting up of common indicators amongst all the concerned stakeholders was loudly spoken. While delivering inaugural speech, Mr. Rana Bahadur Shrestha, Secretary at the Ministry of Cooperative and Poverty Alleviation emphasized on the need of proper coordination amongst the ministries and amongst all the stakeholders including non-governmental organizations engaged on poverty alleviation. Similar opinion was also expressed by Dr. Pushkar Bajracharya and Ms. Lajana Manadhar on their respective papers. Dr. Chandra Mani Adhikari, an Economist shared a special note denying the currently applied calorie and dollar based indicator to measure the poverty. Supplementing and seconding this retrospect, a number of participants added with their experience and opinion demanding immediate step by the government to bring this into the policy dialogue at the national level.

The another crucial discussion was held on the need of realization of essence of urban governance considering the key issues and characteristics of urban poor in mind by the key actors and planners while they plan. This view was brought into the dialogue mainly by Dr. Pushkar Bajracharya, Former Member at NPC and Dr. Chandra Dev Bhatta, Program Officer at FES Nepal through their most pro-governant presentation. The other speakers and participants expressed their views joining the dialogue that the poor people live in cities should not be treated as a consumer instead they have equal rights and responsibility to join in the city development process at policy, plan and program level. Mr. Bimal Phnuyal, Country Director at AAIN in his welcome speech urges the participants to discuss on the prospects of poverty; One does not born to be poor; the society makes a person poor. Thus, equitable distribution of power, resources and opportunities is needed to root out the poverty.

One of the most important issues that occupied the floor with vibrant discussion in the workshop following the presentation of Ms. Lazjna Manandhar, ED of Lumanti was on the need of advancing the essential public services to the urban poor. The participants who joined the dialogue contributed to prove that despite huge investment of government both at central and local level to avail essential public services, the urban poor specially those who belong to low earning community engaged in the informal economy are deprived of such services. The delegates who joined the dialogue also emphasized on the need of effective implementation and proper monitoring of the services and its delivery mechanism. This prospect was also highlighted through the floor discussion based on the

paper on Government Perspective presented by Mr. Suresh Prakash Acharya, Joint Secretary of MoUD. Dr. Horse Mathaeus Chair of the third session shared his view that the Government of Nepal is equipped with some pro-poor policies and plans already but due to current socio-political situation, these policy and plans are not implemented properly. Prof. Dr. Jagadish Chandra Pokhrel and Dr. Pitamber Sharma Former Vice-Chairman of NPC chairing the respective sessions also added their experience and opinion emphasizing the need of proper implementation of existing policies considering the urban issues in mind.

There have been several challenges being experienced by the key stakeholders while being engaged on the issues of urban governance and urban poverty. Including the paper presenter and chair of the sessions almost participants and speakers expressed their views in line with the one and only option of prevailing elected body to govern municipalities with fresh mandate which seems less prioritized by the political parties in the present context. In the workshop, it was agreed that despite the unfavorable circumstance and the consequences of the absence of the elected body, there are some opportunities to make the urban governance pro-poor, pro-active and urban poor responsive. A very brief sum up presented by Mr. Prafulla Man Singh Pradhan, Regional Adviser of the UN Habitat also underlined that if all the stakeholders come with common understanding in close coordination with sincere commitment together, the urban issues will be addressed and the urban governance will be resumed in favor of urban poor both at central and local level.

Output of the workshop:

Association of key actors as organizer: The engagement of key actors from the government, UN agency, International organizations and most prominent national level organizations together in a forum organize the workshop itself is an output of the workshop since the workshop to some extent could contribute the organizers through exploring the issues of urban governance and urban poverty simultaneously.

The involvement of the Ministry of Urban Development, which is one of the concerned line ministries of the Government of Nepal as one of the organizers of the workshop itself is meaningful and had shown its clear perspective for its future urban dynamism. The Ministry which was officially formed by the Government of Nepal about one year ago seems to be benefited by the workshop to set forth its urban policy.

UN Habitat, the official agency of the UN to address the various concerns related to habitation and cities around the world had shown its precedence being one of the organizers of the workshop. It has focused on the Urban Governance issues with priority.

ActionAid International Nepal (AAIN), the key organization which played not only the role as an organizer but had also conceptualized the workshop and also extended all the technical and financial support required for the workshop right from the beginning of formulating to beyond the workshop. It has been able to share its believes in the workshop that ending urban poverty is possible through reinstating the urban governance.

Lumanti Support for Shelter known as LUMANTI in brief is no doubt a pioneering non-governmental organization to address the urban issues of working poor was fully engaged as an organizer which contributed significantly to achieve the objective of the workshop.

Nepal Mahila Ekata Samaj (NMES), a women's unified society to ensure the housing rights of the women from the squatter settlement of various parts of the country was also the part of the workshop organizing committee. NMES, as a rights holder, had brought the urban issues concerning their housing and settlement into the discourses.

The involvement of Center for Integrated Urban Development (CIUD) as one the organizers remained fruitful as it is specialized with its highly experienced technical team on research and community level interventions to various urban issues.

HomeNet Nepal, a national level membership based organization of working poor both from rural and urban areas over the country had played main coordinating role to organize the workshop. Its involvement as one of the organizers was crucial because of its specialization on the various issues of

urban working poor such as livelihood, essential urban services, safety & social security and recognition.

Involvement of Key Planners and Policy Makers: In the workshop, there was involvement of most pertinent, senior and renowned urban planners & policy makers who played major role either by chairing the sessions, or presenting working paper or delivering the key notes from the inaugural to the end of the sessions of the workshop. The first presentation was delivered by the Former Member Dr. Pushkar Bajracharya and Former Vice-Chairperson Prof. Dr. Jagdish C. Pokhrel of the National Planning Commission. Again, the second paper was presented by Mr. Suresh Prakash Acharya, Joint Secretary at Ministry of Urban Development and the session was chaired by Dr. Pitamber Sharma, Former Vice-chairman of National Planning Commission. The third session with a presentation of Ms. Lajana Manandhar, ED at Lumanti was chaired by Dr. Horse Mattheaus, who is the head of the Governance project at GIZ. Similarly, the fourth and last session was presented by Dr. Chandra Dev Bhatta, Program Manager at FES which was chaired by Mr. Keshav Sthapit, the Development Commissioner at KVDA. Along with this, there were some key notes presented by Mr. Rana Bahadur Shrestha, Secretary of Ministry of Cooperative and Poverty Alleviation, Mr. Bimal Phnuyal, Country Director of AAIN, Ms. Sudha Shrestha, Acting Chief Technical Adviser at UN Habitat and Dr. Chandra Mani Adhikari, Senior Economist as well as a summing up memo by Mr. Prafulla Man Singh Pradhan, Regional Adviser of UN Habitat.

Participation by most key and distinguished delegates: The workshop indeed was a kind of gathering of most relevant and pertinent delegates representing as many as 78 organizations ranging from Government line ministries, Municipalities, UN agencies, I/NGOs and CBOs who deal with the poverty, governance, settlement, safety, livelihood & safety issues. Their lively participation and active interaction during the floor discussion contributing with their hard earned experience have principally supplemented the main theme of the workshop prospective.

Retrospective discussion on 'urban poverty' and 'urban governance' through the same eyeball: One of the key objectives of the workshop was to orient the stakeholders and participants that only in the existence of urban good governance the urban poverty can ultimately be alleviated. But poverty has become a rural phenomenon for many people thus do not simply agree the existence of extreme form of urban poverty despite witnessing every day. It is because of enduring mindset of all of us including many of our planners and policy makers. Experience sharing by some of the urban working poor particularly, home based workers, waste pickers, domestic workers, urban porters and slum dwellers in different sessions made clear that they are leading a measurable life with full of multiple threats and vulnerabilities, being excluded from existing social security system having less access to essential public services while being engaged in diversified work and trade in informal economy for living in cities. The self-motivated discourses held in the open floor also emphasized the importance of good governance to make the local authorities and other stakeholders more responsible to address the urban issues of them.

Finally, at the end of the workshop, all, including the organizers, policy makers, panelists and participating delegates including the rights holders agreed that 'ending the urban poverty' and 'good

urban governance' are inseparable prospects in the state of urbanization. Thus, our national policies should be pro-urban poor. Our local/municipal authorities should be urban poor responsive with policy, plan and program. The concerned agencies should be accountable and transparent towards urban poor and the concerned stakeholders. Only then, the poor live in cities can overcome from vicious circle of poverty and lead a better life with recognition and also can contribute in city development process rather than being mere a consumer.

Inaugural session:

Ministry of Urban Development (MoUD), Action Aid International Nepal (AAIN), HomeNet Nepal, UN Habitat, LUMANTI Support Group for Shelter, Centre for Integrated Urban Development (CIUD) and



Nepal Mahila EktaSamaj (NMES) jointly organised a one day workshop on Urban Governance in Reference with Urban Poverty.

The chief guest Honble' Mr. Rana Bahadur Shrestha, Secretary to the Ministry of Cooperatives and Poverty



Alleviation inaugurated the

national workshop amidst a grand function in Lalitpur on 30th November 2012.

The workshop was conceived to suggest a roadmap on the urban development and governance strategy to the concerned key actors and stakeholders and probably to the newly established Ministry



of Urban Development in reference to the urban poor and marginalised community living in the slums and squatters.

The workshop was divided into two main sessions, the inaugural session and the technical session. The inaugural session was chaired by Honble' Mr. Suresh Prakash Acharya, Joint Secretary at the MoUD. The first session highlighted the objectives and

expectations of the workshop participated by the community leaders, heads and representatives of various governmental, non-governmental organisations and international development agencies working in the sector.

Welcome note:

Mr. Om Thapaliya, Executive Director at the HomeNet welcomed the guests and participants on behalf of organising committee at the beginning of the session. He highlighted the objectives and further elaborated the schedule of the program. He stated, "Urban area is expanding. With the expansion of the urban area, it is necessary to address the issues of urban poor in reference to urban governance, so that, urban poor can also participate in



developing the urban areas with a sense of being a part of it." Further throwing light to the objectives of the workshop he said, "The workshop has been organised to bring the active players working in the field of urban governance, urban development and ending urban poverty on a common platform to find out and critically analyse the next logical steps and strategies to uplift living standard of urban

poor with reference to urban governance". He urged the participants to actively participate in the workshop and solicited their valuable feedback to papers to be presented during the technical session of the workshop. The comprehensive papers from the experts presented during the workshop and the received feedbacks from the participants shall be synthesised into a publication which will demystify the concept of urban poor, formulation of a desirable model of urban governance and to show the way to address their real problems and recommend some suitable solutions that will help to formulate the conducive urban policies by the MoU, Mr. Thapaliya shared.

Opening remarks:

Addressing the function, acting chief technical advisor to the UN Habitat, Ms. Sudha Shrestha, shared her experience working in the field of urban poverty and urban governance. While described trend of urban growth she said, "In 1990 the urban population of whole Nepal was 1.7 million. Now coming to the year 2011, about 1.7 million people lived in the Kathmandu Valley alone.. Eighty percent of urban population is concentrated in the Kathmandu



Valley and 10 percent of them live in the squatters." She further told that the urban poor are deprived of basic facilities needed for their livelihood. She explained that they are economically, socially and politically marginalised. Giving reasons for the problem she suggested that the lack of awareness is the main problem to upgrade the livelihood of the urban poor. "Understanding of the urban poor is limited to certain group only", she said. She recalled one of her colleagues in a meeting saying that "Cities are already developed area, is it necessary to develop city? We should be rather focusing on rural development," and added, "urban poverty and urban governance are not only serious issues in the developing world but it has become more challenging limiting its understanding within the people working in the sector."

She shared some of the initiatives taken by the UN Habitat in Nepal to upgrade the status of the urban poor. UN Habitat has conducted 'poverty mapping' in the 10 municipalities of the country since 2005 and 'sanitation for all' project in 5 districts to meet national sanitation target and operationalise the master plan of the country. She found challenges during the implementation of institutionalization, its capacity building and sustainability of these projects. "Among many other challenges, providing basic facilities to the urban poor is a key challenge and it is their basic right." Concluding her remarks she expected the papers shall generate lively interactions during the workshop that would support in formulating the poor friendly policies and strategies to uplift their status.

"Let's eradicate the poverty, not the poor" was a clear message delivered by Mr. Bimal Phnuyal, Country Director to the ActionAid International Nepal (AAIN) in his welcome speech. Sharing his views, he expected that this workshop will critically examine prevalent policies and strategies of the

country addressing the issues of the urban development and related issues and come up with a roadmap formulating the poor friendly policies in the near future. "AAIN has been working to integrate urban poor and marginalised group in the urban development process for 16 years in Nepal. It looked for overall development of the urban areas inclusive of the poor citizens. The organization believes in continuation of native culture and civilization of the place along with physical development process with reference to the disaster. Moreover it aims to develop strategies to eradicate poverty not the poor ones and integrate it with urban development," he clarified the mission of AAIN in context of urban development. He emphasized that to achieve good urban governance it is vital to enhance participatory democracy, especially participation from poor and marginalised group.



Institutionalization of the successful interventions to eradicate the poverty is very important to retain progress so far achieved in poverty alleviation and to guide future policies and strategies. He said, "I have expected, besides issues of development of physical facilities, issues of human rights, participatory democracy and equal development will be the major issues to discuss among the participants of the workshop who have been continuously working in the field of poverty alleviation to ensure participatory governance for the urban poor."

He further urged the participants representing various government agencies, NGOs, INGOs, experts and academia to come up with a vision and some strategies to alleviate urban poverty which does not point out the government only to carry out functions and activities to alleviate poverty but to give responsibilities and define dos and don'ts to all the key actors and stakeholders such as Action Aid international Nepal to participate for the cause. He, on behalf of AAIN committed to continue the works of AAIN regarding urban poverty and participate actively to develop urban areas especially the Kathmandu Valley as a civilized place to live in.

Inaugural speech:

Speaking from the chair of the chief guest, Mr. Ran Bahadur Shrestha, Secretary at the Ministry of Cooperative and Poverty Alleviation (MoCPA) expressed his expectations from the workshop and briefed the initiatives being taken by his ministry. "I expect this workshop will help my ministry to formulate future policies and will get some partners to collaborate with us to implement the policies." he said. Poverty alleviation has always



been major focus of every government and several programs have been launched. Despite having a huge investment for the same (45% of total budget each year, the result has not been able to bring big

different from the past. “Main focus of MoCPA is to develop an integrated and intensive approach for the poverty alleviation to meet Millennium Development Goal (MDG). However, political instability and budget constrain are the major challenges of the ministry. Finding a way out to collaborate with the organisation working in the field of poverty alleviation and their institutional indication is yet another challenge.” he shared.

In this context, cooperatives and poverty alleviation has always been complimentary to each other. Cooperative has been playing major role in providing financial backup to strengthen the economy of the poor. Because of which the government is planning to establish multipurpose cooperatives in the country which should at least consist of 25 members who are identified as poor as per international standard. Mr. Shrestha explained, “Resource planning of each multipurpose cooperative will be done by the experts and some incentives will be covered by the government to establish it which will help to uplift living standard of the poor by intervening in four major sectors – income generation activities, shelter, education and health.”

Particularly to ensure the effectiveness and sustainability of the income generating activities, it focused on micro enterprise; marketing and production will be simultaneously handled. To develop the market space, the government has encouraged departmental stores, Federation of Nepalese Chamber of Commerce and Industries (FNCCI) and other economic stakeholders in the country to participate. "It will help in increasing assets of the poor", he clarified. Along with that the government is also planning to provide shelter, health insurance against the 20 critical diseases to the poor ensuring their social security. Revealing the ways of implementing such plans Mr. Secretary told that the government is trying to make it mandatory spending of 3% of the total money collected in the cooperatives to invest for the people below poverty line. And provide them loan at a subsidized interest rate of maximum 6% per annum.

He requested all stakeholders to collaborate with government to make a national level network of fighting against the poverty. Also to help in capacity building of the poor to enhance their livelihood, find out more intervening areas to alleviate poverty and make the actions sustainable.

Vote of thanks:

Extending the vote of thanks, President of Nepal Mahila Ekta Samaj, Ms. Bimala Lama emphasized to the meaningful participation of the affected people and the community in the policy making process and monitoring of services that are being provided to the urban poor to ensure the needful ones get those services. Urban poor are leading a miserable life in hatred from the rest of dwellers in the city. She said, “Had the program been organised earlier, urban poor would



not have faced such problems”, highlighting need of such workshops to intervene in policy making process. She urged participants of the workshop to come up with a concrete conclusion that addresses the issues of urban poor and bring some solutions to them.

Concluding note:

Comparing situation of urban in Nepal with international scenario chairperson of the workshop joint secretary at Ministry Of Urban Development Mr. Suresh Prakash Acharya said, “City is indication of prosperity however in case of Nepal cities do not have adequate physical facilities.” This has been proved by the data of 2011 census which showed 40 percent people live in rental house in the urban area. The case is even worse in the Kathmandu Valley where 48 percent people live in the rental house indicating lack of shelter not to mention here the vulnerable condition of people living in the squatters.



Currently cities are categorised into metropolitan, sub metropolitan and municipality on the basis of population, revenue collection and some physical infrastructure to state only 58 urban areas in the country. However, there exist 132 places having characteristics of the city in the country. In reference to this, he said, “We need to reinvent definition of city appropriate to our country for proper urban development.” Besides definition of urban rapid growth of urban sector is another challenge of the country. Along the growth of urban area, immigration has also increased and life of urban is being more vulnerable due to lack of urban infrastructure. According to a calculation done by MoUD to address issues raised in periodic plan of 58 municipalities, country needs NRs45 billion per annum, but, it can only avail NRs 4 billion at present. Hence, there is a deficit of NRs 41 billion for urban development of the country which supports 65% of total GDP of the country. To address these issues of urban development MoUD has been established, however, due to lack of proper authority delegation and scope identification, ministry is not being able carry out its function properly.

“Development and management are two inseparable parts, but MoUD has been authorised to develop but not to manage. Though different governmental organisations are working together in urban development issues, management has not been so effective and there are many loopholes to be addressed. Because of this our policy has to be reviewed and modified.” he added. In response to this problem the government is formulating 'Urban Development Policy' and 'Squatters Rehabilitation Policy' very soon in future. Along the policy the government is trying to develop low cost houses in Kathmandu targeting urban poor which later will be implemented in other districts of Nepal. And bring banking sectors and other private sectors in the urban development activities. He expected the workshop will be helpful in formulating strategies and suggestions to address issues of urban governance with reference to urban poverty, which will be useful to the MoUD for policy formulation.

Technical session:

Session I:

Paper on 'Citizen's Perspective Urban Policy and Programs' by Dr. Pushkar Bajracharya, Former Member National Planning Commission



Dr. Pushkar Bajracharya, in his presentation stated that urban poverty is a multidimensional phenomenon. Firstly he stated the differences between urban and rural areas saying that urban areas are the densely settled core of blocks and population. He also defined urban clusters which are small version of urbanized area with population and he said that rural areas are those except urban areas or urban clusters. He added that to be defined as metropolitan areas it should include at least one urbanized area with population more than 50,000 and for micro-politan areas there should be at least one urbanized cluster such that the population lies within 10,000 to 50,000. He defined the types of cities as economic city and political cities. The first one is defined as the area with relatively high population with integrated economic activities and latter as the area where Municipal Corporation exercises political authority, providing local government services and collecting taxes and provide local services. He further explained that the existence of cities is because of the existence of rural areas which creates imperfect factor mobility, imperfect input divisibility and imperfect mobility of goods and services. Thus the cities would not exist if there was equal productivity, no scale of economies in production and transportation and equal preference across areas.

He also pointed out the positive and negative aspects of cities; the positive aspects being the higher economic growth, creation of employment opportunities, higher income, higher quality of life and better services and the negative being high costs, pollution, congestion, higher crimes and social disturbances, evaporation of peace and tranquillity, increased migration and creating destitute. He stated that the urban growth in Nepal was 3.2 million in 2001, 4.5 in 2011 and estimated to be 7 million in 2012.

He presented the facts reflecting the features of urban economy in Nepal. The urban poor live with many deprivations. About 17% people live in urban areas i.e 7 million and over 90% of formal sector jobs and about half of informal jobs are created in the urban sector. Substantial portion of government revenue is generated in urban areas (51% in Kathmandu Valley, 23% in Birgunj). Urban income accounts the income of over 3 to 3.5 times of the rural average income in Nepal. Urban consumption is 3.5 to 4 times higher than rural consumption. Therefore, urban areas contribute significant contribution in GDP.

Then, he discussed about the scenario of poverty in Nepal. He stated that the poverty is decreasing but mainly due to external factors rather than own efforts. He added that there are isolated examples of

successful initiatives. Poverty is however not tolerable and must be addressed quickly say within 10 years. He stressed that urban poverty is still high and chronic in certain areas. Even in Kathmandu Valley, the size of urban poverty is high in absolute numbers. He added that as a result of lesser attention problem will persist due to migration and issue of squatter settlements remain the same.

Urban poor live with many deprivations. Their daily challenges may include:

- limited access to employment opportunities and income,
- inadequate and insecure housing and services,
- violent and unhealthy environments,
- little or no social protection mechanisms, and
- limited access to adequate health and education opportunities

He added that it is also a dynamic condition of vulnerability or susceptibility to risks. In order to provide a richer understanding of urban poverty, this site presents these two analytical frameworks (i) a dynamic framework of poverty (vulnerability and asset ownership) and (ii) the multiple characteristics of poverty and its cumulative impacts.

He presented some facts on global urbanization saying, "For the first time in the history more than half the world's people live in cities". He further added that over 90 percent of urban growth is occurring in the developing world, adding an estimated 70 million new residents to urban areas each year. During the next two decades, the urban population of the world's two poorest regions—South Asia and Sub-Saharan Africa—is expected to double. He stated the facts about the trends of urban growth saying that it will continue to be high as only 17% dwell in urban areas and economic activities expected to continue to concentrate. Foreign employment is also expected to contribute to further concentrating in urban areas as they are hardly expected to return back to rural areas. Remittances also concentrate in urban areas and transportation and other means also go through major cities.

He explained that the urban growth is attributed to both natural population growth, and rural to urban migration. Urbanization contributes to sustained economic growth which is critical to poverty reduction. The economies of scale and agglomeration in cities attract investors and entrepreneurs which is good for overall economic growth. Cities also provide opportunities for many, particularly the poor who are attracted by greater job prospects, the availability of services, and for the some, it is an escape to constraining social and cultural traditions in the rural villages. Discussing the issues of urbanization he stressed saying, "Yet urban life can also present conditions of overcrowded living, congestion, unemployment, lack of social and community networks, stark inequalities, and crippling social problems such as crime and violence."

Many of those who migrate will benefit from the opportunities in urban areas with dreams, while others, often those with low skill levels, may be left behind and find themselves struggling with the day to day challenges of urban life. Many of the problems of urban poverty are rooted in a complexity of

resource and capacity constraints, inadequate government policies at both the central and local level, and a lack of planning for urban growth and management. Given the high growth projections for most cities in developing countries, the challenges of urban poverty and more broadly of urban management will only worsen in many places if not addressed more aggressively. There exists the higher unemployment 8% in urban areas as compared to 1.9% in rural areas.

He told that the different dimensions of poverty and their causal factors underscore the need for policy and institutional reforms at the national as well as the city level, in order to achieve sustainable and replicable improvements in the conditions facing the poor. He emphasized that the policy actions need to be structured to enhance the poor assets to decrease their vulnerability and capacity to manage their assets.

He explained that the policy and institutional reform should include:

Land, housing and urban services: The vulnerability of the urban poor is exacerbated by the inadequate provision of basic public services, as well as by policy and regulatory frameworks that govern land and housing supply and property rights. Policy reforms are required in the areas of: tenure security, property rights and land development regulations, housing finance, service provision.

Financial markets: Lack of access to credit increases the vulnerability of the urban poor by constraining their ability to improve their homes, their work, and to start new businesses. Credit underwriting is a major problem since the poor do not have property to use as collateral and often lack regular incomes. Supporting micro-finance programs and provision of tenure security to support underwriting are possible policy actions at local levels.

Labor markets and employment: Employment opportunities for the urban poor are affected by diverse factors including macroeconomic conditions, regulatory constraints on small businesses, lack of access to job market opportunities, infrastructure, education and training, and bad health. A range of issues concerning labor market regulations and legislation, e.g., employment protection rules such as minimum wage, hiring and firing regulations, etc., can also have counterproductive effects on the poor by increasing labor costs and thus constraining job opportunities.

Social protection and social services (health, nutrition, education and security): Social insurance benefits include unemployment insurance and assistance and pensions. Safety nets/social assistance interventions include various cash and in-kind transfers programs such as child feeding, vouchers for schooling and housing, etc., that supplement income.

Environment: Environmental problems exacerbate urban poverty. Poor cities and poor neighborhoods suffer disproportionately from inadequate water and sanitation facilities and indoor

air pollution. Poor people are often forced to live in environmentally unsafe areas, steep hillsides and flood plains or polluted sites near solid waste dumps, open drains and sewers, and polluting industries.

He then emphasized that the strategies for better urban governance should include following points:

- Planned development of cities
- Enforcement of activity zoning
- De-concentration of economic activities, power, social and other activities
- Segregation of activities or cities as industrial cities, trading cities, medical cities, education cities, tourism centres, and religious cities backed up by policies
- Determination of carrying capacity and developing benchmarks based on resources, services, and gearing policies towards this end
- Promoting backward and forward linkages
- Spatial planning
- Service management including drinking water, solid waste disposal, power, fuel, parking, roads etc.
- Improve labor and capital productivity
- Integrate land use and infrastructure
- Improve the efficiency of urban infrastructure
- Protect and sustain natural and built environments
- Improve environment and air quality
- Manage resources sustainability
- Increase resilience to climate change, emergency, events and natural hazards
- Facilitate the supply of appropriate housing
- Support affordable living choices
- Improve accessibility and reduce dependence on private vehicles
- Support community wellbeing
- Improve the planning and management of urban areas
- Evaluate progress

Government has emphasized following points for developing policies for ensuring better urban governance:

- Implementation of national building code will be made obligatory and skilled architects and technicians will be produced order to construct quotation, less costly and safe buildings
- Updated and effective regulatory provisions for the construction of multi-storey building in the urban areas will be made
- Systematic cities will be developed along the main highways
- Satellite cities will be developed around the capital cities

- Sustainable and systematic urban development plan and settlement development program will be implemented
- A functional coordination among the actors related to housing and urban development will be promoted
- Institutional capacities of local bodies and central government organs will be enhanced for conducting necessary research in this sector, and the regulatory system will be strengthened
- An integrated infrastructure development activity will be carried out at least for five medium and five small towns will be carried out at in five regional cities, out from each development region
- The work of preparing city profile, resource map and periodic plan of all municipalities will be completed in the coordination and cooperation with Ministry of local development, local bodies, civil bodies, and donor agencies
- Standards will be for conducting development activities in a manner that make the national and state level towns, community settlements and private housing healthy and safe
- The rural settlement development program will be managed through land pooling arrangements
- An environment friendly and efficient housing service will be extended in order to provide housing service to poor people of the society.
- Housing and settlements will be developed through public private partnership model
- A separate appropriate institutional mechanism will be established for carrying out the works related to urban infrastructure development and urban governance in an integrated and coordinated manner.

He stressed that the emphasis of **Urban Policy** needs to be:

- **Productivity:** To harness the productivity of Nepalese people and industry, by better managing use of natural and human resources, creativity and knowledge, and infrastructure.
- **Sustainability:** To advance the sustainability of Nepal's natural and built environment, including through better resource and risk management.
- **Liveability:** To enhance the liveability of cities by promoting better urban design, planning and affordable access to recreational, cultural and community facilities.

He elaborated on the following objectives which should be focused to achieve better urban governance:

1. Improve labour and capital productivity by:

- Aligning workforce availability and capacity to meet labour force demand
- Supporting education, research and innovation

2. Integrate land use and infrastructure by:

- Integrating planning of land use, social and economic infrastructure
- Investing in urban passenger transport
- Protecting corridors, sites and buffers

3. Improve the efficiency of urban infrastructure by:
 - Maximizing returns on new and existing infrastructure
 - Taking into account operational and maintenance costs of infrastructure and assets
 - Promoting public private partnership to infrastructure and assets of high public benefit
 - Utilizing smart infrastructure
 - Enhancing connectivity
4. Protect and sustain natural and built environments by:
 - Protecting and enhancing natural ecosystems
 - Supporting sustainable development and refurbishment of our built environment
5. Improve environment and air quality:
 - Supporting low emissions technologies
 - Putting a price on emission
 - Sustainable urban planning and regulatory reform
6. Manage resources sustainably by:
 - Reducing resource consumption and waste
 - Improving water, energy and food security
7. Increase resilience to climate change, emergency events and natural hazards by:
 - Proper management
 - Mitigation and adaptation
8. Facilitate the supply of appropriate housing by:
 - Encouraging a range of housing types to suit diverse household needs across areas
 - Supporting the development of aged and needy persons accommodation, including medium and high care
9. Support affordable living choices by:
 - Locating housing close to facilities and services, including jobs and public transport
 - Supporting new outer housing with access to facilities, services and diverse education and employment opportunities
10. Improve accessibility and reduce dependence on private vehicles by:
 - Improving transport options
 - Reducing travel demand by co-location of jobs, people and facilities
11. Support community wellbeing by:
 - Providing access to social and economic opportunity
 - Improving the quality of the public domain
 - Improving public health outcomes
 - Redressing spatially concentrated disadvantage
 - Enhancing access to cultural, sporting and recreational activity
12. Improve the planning and management of urban areas by:
 - Integrating planning systems, infrastructure delivery and management

- Encouraging best practice governance

13. Streamline administrative processes by:

- Improving the effectiveness and efficiency of approval processes for development
- Encouraging participation and engagement with stakeholders

14. Evaluate progress by:

- Research, analysis, evaluation and reporting

Urban development should be guided by the following principles:

- **Efficiency:** Urban areas and the social and economic infrastructure and services that support them should be planned and managed to maximize their efficient use
- **Value for money:** Investments in Urban areas should be cost-effective to return maximum benefits to communities and investors
- **Innovation:** The planning, design, construction and management of Urban areas requires creative ideas and solutions to meet the current and future challenges
- **Adaptability:** Urban areas need to be adaptable to changes in the economy, population, demographics, technology and the environment
- **Resilience:** Urban areas need to be resilient to events such as natural disasters, the effects of climate change and global socio-economic processes
- **Equity:** Urban areas should support the equitable distribution of access to resources and opportunities, including education, jobs, housing, services and facilities
- **Afford ability:** Households should have affordable options for where they live and work, how they travel and access services and facilities, and for leisure opportunities
- **Integration:** Policies and programs need to be integrated across the different levels of government, across portfolios and with industry and communities
- **Engagement:** Planning, policies and programs need to be participated and informed by the views of all sectors of the community and priorities

He pointed out the gaps in government policies saying that there is lack of focus, lack of vision and lesser emphasis. He concluded his presentation saying that the urban development is a part of overall development and therefore must be calculated into the broad policy framework. He also stressed on the importance of integrated strategies and need for holistic approach as well as careful planning and implementation.

Experience sharing by Dr. Chandra Mani Adhikari, Sr. Economist

After the paper presentation by Dr. Pushkar Bajracharya, Dr. Chandra Mani Adhikari commented that by 2030 most of the people of Asia and Africa will be living in urban areas. He added, 'It is true talking on national perspective that the calorie based



traditional method of defining poverty line is not enough which creates more difficulty in defining urban poor". He told that the centralization of facilities in the cities attract poverty ridden people to migrate. Migrated poor get socially and culturally excluded in urban areas and become victim of discrimination in various aspects like drinking water, education and health. He stressed that these issues can be addressed at policy level only. There should be institutional strengthening to address the issues of sever increasing urban poverty.

Floor discussion:

Mr. Dibeshwor Prasad Shrestha, an economist asked Dr. Bajracharya that there are so many paradoxical situations in policy and practice while addressing issues of the poor, what could be the way out and in this situation?

Mr. Bimal Phunyal highlighted the five key points to look into the development perspectives; the vision to develop the city and citizens' participation, good governance to encourage the people to take part, ensuring the quality deliverables, infrastructure development be pro-poor and marginalised people friendly and further rural dimension need to be considered to conceive the urban perspective. Similarly, Ms. Lajana Manandhar, Executive Director at Lumanti commented that it's high time we all should prepare action plan to define poverty instead of complaining we don't have definition for poverty and at the same time keep working to address the issues of the urban poor.

Mr. Pushkar Shrestha, Executive Director at Centre for Integrated Urban Development (CIUD) commented that the basis to define poverty should be clearly defined and this should be different in urban and rural areas. He also questioned why did the presenter included agriculture as one of the solutions to address the urban poor in the situation where the land is limited as well as expensive for the agriculture in the cities.

Dr. Horst Matthaeus, Coordinator, Governance at GIZ commented that the whole problem lies in implementation rather than in planning. He also emphasized on the fact that progress of the whole community automatically upgrades the urban poor.

Dr. Pushkar responded to the comments saying that the target should be set to address issues of urban poor for ensuring good governance. There are definitely some way-out and positive initiatives. Government has been spending huge chunk of money to address the issues of poor and low income groups through 20 ministries but the coordination is ineffective. He explained that the processing of agricultural produce can be done in urban areas even if the core agriculture is not possible. He also stated that there is deficiency in supply of milk and even goats for meat which we import. He added the unmanaged urbanization has lead to unplanned activity zoning and has added to the problems of urban life. The total poverty eradication should be the aim and no rural or urban poor are to be isolated.

Dr. Chandra Mani also responded that the beneficiaries are to be fixed first. He cited Bill Gate's quote that says, "to be born as poor is not a mistake but dying poor is a tragedy". He stressed that there should be focus on the issues of urban poverty and re-shaping and re-designing of planning is important.



Session chair Dr. Pitamber Sharma wrapped up the session highlighting that urban poverty has to be considered in relation to the place or urban locality to search for solutions. He also emphasized that the focus should be on the community rather than the individual alone. He opined that the definition of cities on the basis of population alone is not scientific and practical. Density, contiguity and occupational structure also deserve consideration. He gave an example of Lhomangthan of Mustang where population was small but the infrastructure context and needs were reminiscent of established urban areas.

Dr. Sharma called for a new perspective to urban-rural relations. He suggested that local bodies should be of two types: nagarpalika and grampalika. Nagarpalika would be a metropolitan area whereas the grampalika would be a rural entity with one or two core market centres. In the fast urbanizing context of Nepal, he added that urban areas would increasingly become the locus of poverty as well. The city dwellers and all concerned authorities should strive towards addressing the expectations of urban poor. He also emphasized the need to make the informal sector of employment more secure as majority of the poor people work in these sectors. He pointed out there is the problem of professional squatters too who seek to take advantage of the facilities given to poor and low income groups. He suggested that there should be provision of affordable means of transportation, affordable health care and policies that are poor friendly to ensure participation of the urban poor on urban development. Harnessing the strength and power of the urban poor is necessary to bring progress to the urban areas and the country as a whole.

Session II:

Presentation on Government Perspective Policy, Plans and Programs Urban Governance by Mr. Suresh Prakash Acharya, Joint Secretary, MoUD, GoN

Mr. Suresh Prakash Acharya shared overall urban development scenario and strategies of MoUD for urban development in the country. He stated, "In comparison to the urbanisation pattern in South Asia, urbanisation in Nepal is



relatively low, however the growth rate is very high.” Urban areas are symbol of prosperity in general. Growth in urban area refers growth of GDP. In context of Nepal urbanisation is rapidly increasing since 2005. This is also shown by population growth rate in urban area (3.38%) which is more than three folds of population growth rate of rural area. However, urban poverty is limited to 15.5% but it's increasing. He emphasised on the management of urbanisation saying, “But it's not the time to wait for poverty to increase. We should focus on management of urban poverty before it becomes a serious issue and a threat.”

Talking about problems of urban areas in Nepal, he said that the main problem of urban areas is housing. He referred to the national census 2011 and stated that the total urban population as 17% of the national but if we take into consideration the real urban area, the scenario would be different. Due to unrealistic designation of municipalities which have dominant rural characteristics and there are many market centres and small towns designated as village development council which have dominant urban characteristics. There are 132 small towns which are identified as urban in character and thus the real urban population of Nepal can be estimated as 25% of the total population and is expected to reach 33% by 2025.

“About 40% of people in urban area live in rental house”, he clarified. In his presentation he said that besides housing, pressure is tremendously increasing upon all physical facilities. The periodic plans of all the municipalities show that they need at least 45000 million rupees annually to develop physical infrastructure. In contrast, at present total budget of only 4000 million rupees has been provided. It directly shows deficit of 41000 million rupees for development activities to meet infrastructural demand of growing urban population. Similarly, comparing expenses upon rural and urban development he added, “So far government's priority has been rural development and whopping budget is invested for the same. However data show that we need a huge budget to invest for urban development as well.”

Elaborating characteristics of urbanization in the country he explained, “Urbanisation of Nepal is concentrated in the quadrant formed by joining Kathmandu, Birgunj, Siddhartha Nagar and Pokhara. Development activities are focused in this sub region. And economy of the country is also guided by the sub region.” However, Kathmandu Valley still remains as the hotspot for migration. These factors are driving extreme regional, ecological differences promoting unbalanced growth. Also economy of people has not boomed significantly in these urban areas, but, its pressurising infrastructure. Though MoUD has been established its institutional base is not very strong along other municipalities of the country, he added.

Describing the driving factors for better urban management, Mr. Acharya stated, “Funding, governance, planning, sector wise policies and shaping institutions are basic elements for better

urban management. And we are lagging behind on each and every element.” Funding are generally managed either from internal or external sources of government. In this context, government with the help of some donor agencies and other stakeholders has carried out some intensive and big budget projects like UEIP and STUEIP, in some municipalities to improve environmental condition. Also some projects like Integrated Urban Development Project, Urban Governance and Development Programme are in pipeline. However, these are not enough according to him.

Discussing governance as another major element of better urban management, he pointed over political interference in government bodies and political instability that hinders good governance. But that is not the only reason he further added, “Inadequate technical manpower and lack of motivation among the staff in the municipality is also playing negative role.” Further, the overlapping of authorities is a great hindrance to good governance he added.

“To overcome these issues MoUD has proposed some plans,” he shared. Since administration and governance of municipalities are not authorized to MoUD, it plans to get the authorization for the same with effect to one door policy. He further added, we need to redefine definitions of urban areas. Because of the existing definition, some of the places having urban characteristics are being taken as rural and are being developed accordingly. To avoid this, some modification in policies and legal environment is a must, he insisted. He added that without active participation of all stakeholders one cannot implement the concept of one city one identity.

Throwing light to other initiatives for better urban development, he pointed at some policies that have been formulated and in pipeline for formulation along with the planning of MoUD. He said, “Urban planning has been an integral part of national five year planning since the fourth planning. But still there are some gaps.” MoUD is planning to develop 10 new urban centres along the mid hill highway. Along with that implementation of existing building by laws, clean city programme and urban regeneration programme by implementation of land pooling projects in the core area are few other proposed plans of MoUD, he revealed.

Similarly, he noted some of the policies focusing on improving urban development trend for better management. And the policies addressing housing issues for all which also included roles of different stakeholders of society. “Land use policy along sector wise policy is vital to guide urbanisation and better management.” he focused. MoUD has proposed to amend local self governing act 2055 and regulation 2056 to delegate authority to MoUD. Also, implementation of policies, plans and activities to make urban area safe and liveable place for all, marginalised community included in it.

He said, “Hierarchy and linkage with the rural hinterland could be basis for investment, spatial planning needed.” defining the ways to shape institution for urban development. “Planning of

national urban system of Nepal, identification of proposed capital city of future federal states and their development along with developing Kathmandu valley as historical cultural, touristic and international competent city are major plans of MoUD.” He added.

“Cities are main contributor for poverty alleviation hence it is important that we alleviate poverty from city at first. Also instead of waiting for change we should initiate change for such policy intervention is necessary. But the task will not reach its goal if all stakeholders do not actively participate. In brief, for better urban development a mission led initiative is required with strategic planning, investment in infrastructure and capacity building of the municipalities.” he concluded.

Experience Sharing by Mr. D.B. Bhujel, Hetauda Municipality

Mr. D.B. Bhujel, Community Development from Hetauda Municipality gave a presentation on the progress of Municipality upgrading the status of the urban poor. He told that the distance between Hetauda and Kathmandu is just 3 hours which is an indicator of development. He stated that Hetauda Municipality had 3rd rank in latest MCPM. He shared that the major



projects for poverty reduction are funded by organizations like RUPP/ UNDP, GLDP, MLD, UN HABITAT, UEIP, UDLE/ GIZ. These projects include the aspects of social mobilization, capacity building, socio-economic infrastructures and various other programs. There are equally other various projects running under municipality fund targeting poverty reduction. The main target groups are women, children and disadvantaged in the ration of 10:10:15. Municipality is promoting good governance to win trust of the people and make the citizens equally responsibility. The investment strategies of the municipality include local subsidy, revolving fund and matching fund. There is the provision of granting seed money to trainees to start their own business after accomplishment of the entrepreneurship training.

Floor discussion:

Mr. Dibeshwor Shrestha, economist remarked that most of the population in urban areas dwell in the rented rooms, especially in Kathmandu indicating low quality of life as they have been operating all activities in just one room.

Mr. Min Raj Panthi, from ActionAid International Nepal (AAIN) who has been working with differently able people shared that the cities should be made accessible while we are talking about safe and secured city. The governance should give priority to disabled people unless it would be the violation of human rights and there will be injustice to the large number of population.

Ms. Lajana Manandhar, Executive Director, Lumanti stated that there are still the cases where the municipalities have not been able to the transparency. People have doubt that the so called mega projects would benefit the poor or low income groups that was against the spirit of good governance. She commented that the programme under Hetauda Municipality is good but most of the municipalities have failed to bring the policies into practice.

Mr. Bhakti Raj Sharma, Information officer of Dharan Municipality highlighted that the municipalities are merely focused on MCPM rank. He also added that the authority issue of the public land are not addressed properly by the government. The issue of encroachment of the vacant land by the landless and poor is a common problem. He told that there is everlasting conflict between tax payers and the beneficiaries of the poverty alleviation programmes.

Responding to the queries, Mr. Suresh told that there is the need for rental housing projects where many people are homeless. The government has brought the programmes like Janata awas to the poor. The multi-story apartment building is going to be constructed as pilot project for the urban poor. There is the cost recovery mechanism by enforcing the low rent scheme. He added that there are already the programs which are disabled friendly but all 58 municipalities should be given the same framework. He also added that megaprojects have started to include local NGOs for transparency and as a partner to execute the projects. The dialogue is continued in terms of land acquisition which should be transparent and training is being conducted to enhance transparency. Each municipality has been instructed about maintaining transparency but the local bodies are unable to handle this.

Mr. Min Raj Panthi also responded saying that the target group should be able to set according to the requirement working with the co-ordinating committee. Hetauda Municipality has listed various NGOs and budget is being spent through them to reach the target group.

The session chair, Prof. Dr. Jagadish Chandra Pokharel wrapped up the session with his opinions stating that there should be social justice in balancing the needs of the tax payers and the poor. The city should be socially democratic. The infrastructures of urban areas are designed for the capable male. There is a glimpse of hope that the disable friendly infrastructures are mentioned in the directives. There is no practice of linking the program with national



policy. The new Nepal should include prosperity, modernity and justice. He praised the fact that formation of Urban Development Ministry is positive fact. The aspects like taxation and social perspective should be integrated for successful governance. He highlighted that the issue of urban planning need to be looked through the lens of regional perspective as well and we could not ignore the massive economic growth in the neighbouring countries.

Session III:

Paper on 'Urban Public Services and Accessibility of Urban Poor' by Ms. Lajana Manandhar, Executive Director, LUMANTI

Ms. Lajana Manandhar shared her experience working with the urban poor in different districts of the country. She indicated towards the 2011 census, which was released on 27th November 2012, showed that the total growth rate in Nepal has reduced from 2.2 to 1.35 percent. But the urban growth rate is still the double of national growth rate as 3.38%, although this is half the previous census report which had stated urban growth rate as more than 6%. Although the figure was reduced, some municipalities are stated to have very high growth rate of 7% such as in Damak and Pokhara, Bharatpur, Madhyapur Thimi, Biratnagar.



She stated in her presentation that the number of municipalities have also increased from 58 to 99 municipalities. In addition, there are a number of small and emerging towns. The main reason for the expansion of the city population are the pull factors like opportunities to economic activities, better access to services like education and sense of safety and security. Unfortunately, public services such as water, sanitation, housing, road, electricity, walking path have not been well improved in the cities and for the urban poor and people living in the informal settlements, it's very difficult to access the services easily.

Highlighting the complexities and problems faced by the urban poor she quoted, "Availability of physical infrastructures in informal settlements is very less." Comparing data from national census 2011 and data obtained from survey carried out by Lumanti in 392 settlements in 19 municipalities of country, she showed picture of availability of basic physical facilities available in those informal settlements. She said, "Besides electricity, people living in these informal settlements do not have proper access to education, health and sanitation and live a very pity life. However it is not sure that they have legally been lighting their house. It is very much possible that they are tapping electricity from nearby transmissions."

She presented that National Urban Policy, National Shelter Policy, Sanitation and Hygiene Master Plan, National Urban Water supply and Sanitation Policy do recognize and state the need to focus or provide service to the low income and disadvantaged families such as the need of upgrading of the informal settlements and reaching the marginalized communities to provide access to water, sanitation and hygiene services. The government has implemented 'Janata Awas' programme in the rural communities in three districts. Recently, Department for Urban Development and Building Construction (DUDBC) has started construction of the housing to relocate vulnerable families from

the river banks in Kathmandu. Kathmandu Valley Development Authority is also engaged in a process to house the evicted families from Thapathali community. The nation is heading to achieve 'Open Defecation Free Nepal' or aiming to provide universal access to sanitation by 2017. Most of the actions to achieve this national goal have been concentrated in the rural areas, and urban sanitation or sanitation in the unreached communities in the urban areas lack attention. There is no significant planned action for improving housing, water, sanitation, walking path, electricity or other services in the marginalised and poor communities in the cities in Nepal.

Throwing light into the reasons for vulnerable life in informal settlements she said that those informal settlements are considered as illegal. Hence, no government body would provide any basic facilities to those illegal settlements, though they are rightful citizens of the country. Adding to this she added, "Illegality and services to poor do not go hand in hand." Discussing about the policies of the country she further said, "The ideology is, people along with the land or community as a whole should be taken as reference while addressing urban poverty. However it is not reflected in our government policy." Though many of the policies suggest providing services to marginalised communities, implementing organisations are not playing their role, she stressed.

Suggesting government to institutionalise success stories by CSOs, she elaborated some of the activities carried out by Lumanti so far. "Lumanti has been working to organise community through capacity building in these informal communities. We are trying to make them capable to advocate for themselves along with strengthening their economic background." she explained. Lumanti support Group for Shelter, an NGO, working on urban poverty and housing issues since 1994, has a long experience in supporting the urban poor communities to access better water, sanitation and housing and other facilities. Reporting achievements of Lumanti so far, she said that access to housing, water, sanitation and other services have been improved. This has also helped in achieving MDG and other national and international goals and commitments. Basically activities of Lumanti have been helpful in upgrading status of informal communities, promoted good governance and leveraged fund from different sectors to ease access to basic physical facilities in those informal communities.

However, Lumanti especially working in field of health and sanitation has demonstrated some influential examples of waste management in Birgunj. Generation of biogas from public toilet in Birgunj initiated by Lumanti, now has been replicated in some other places within the municipality. Lumanti has continuously been working for capacity building of government authorities and other stakeholders as well, through exposure trips and demonstration within and outside the country. This has helped in garnering partnership and mutual understanding with all stakeholders for communal benefit. Also, activities of Lumanti such as report card testing have helped people to rate performance of government to ensure good governance.

The experience from Lumanti comes from its engagement in the poor communities in the number of cities and towns and the study and research that it has conducted in different cities. Her paper recommended transforming these illegal settlements to the organised living to ensure better access to basic physical facilities. About 15 years back in Kathmandu, not a single informal settlement had a tap connection. Now the settlements have taps although at times and in different places the taps remain dry. The establishment of Low Income Consumer Support Unit in Kathmandu Upatyaka Khanepani Ltd recognized the poor communities right to water and established some mechanisms to help them to access regular water supply. Although there have been good initiatives, still not free of challenges. In Bharatpur, Citizens' Forum and Lumanti had advocated in providing the water supply connections to the squatter communities. In Dharan, the informal communities went on a strike to get private connection that forced the municipality to make the recommendations for the connection. In Itahari, Small Town Water Supply and Sanitation User Committee provided private connections in the informal settlements at a subsidized rate in partnership with Lumanti. The communities in Biratnagar and many other municipalities, Lumanti provided support to install and, or to maintain hand pumps and platforms. In Khokana, irrigation canal was renovated that contributed in recharging the ponds and raising water levels in the wells. In Kumbheshor, Lalitpur, the community was provided support to collect water from the stone spouts during the night time, collect and pump water in the overhead tank and supply through pipe networks. In Tokha, community managed water supply system was developed due to the failure of KUKL providing its service.

About 15 years back, a community behind the famous Lalitpur Durbar Square, called Lonhla, did not have access to toilet facility. Men and women from this community were practising open defecation. Lonhla, a socially marginalized community, had made failed efforts to access sewerage facility to construct toilet. They got success after women took leadership and funding and counselling support was made available to the illiterate but highly committed women leaders. Situation has changed since then, but urban sanitation is still a big issue in highly urbanizing Nepal.

Women's saving and credit cooperatives were provided support to channelize loan fund to improve private WASH facility in a number of municipalities. Thousands of families in the informal settlements in a number of cities have been able to construct toilets with the receivable of some subsidy, loan and technical support. Sewerage, surface drainage, and waste management are also the big challenges in the poor communities throughout Nepal.

Elaborating on the activities carried out by LUMANTI, she added, " the investment in WASH is linked with the secure tenure in the informal settlements. Since the communities do not have ownership of the land and houses, easy funding is not available for this purpose, and the communities remain deprived giving hard to women and children".

She presented the scenario of access to basic facilities in informal settlements. She said that adequate housing is characterized by secure tenure, accessibility, affordability, good location, and access to basic facilities. Housing is a basic need, human right and a public service, so as access to water and sanitation facility. In the informal settlements, people do not have secure tenure. They live in fear of forced eviction. As they do not have secure tenure, they also have difficulty in getting other basic services, as they are unable to produce required necessary documents as owner of the land and house. A study carried out by Lumanti in 2008 in Kathmandu, documented 40 informal settlements in existence at that time. Few more settlements have been added to that list since then. Similar kind of study carried out in 2010 in 19 cities shows the number of informal settlements as 392. No doubt the urbanization is bringing more informal settlements in the big and small cities.

In Kathmandu, in the past 20 years, the conditions of the housing in the old settlements have improved a lot. A large number of houses in the new settlements are of temporary nature. As the time passed by the confidence on the security of the settlements have increased among the families resulting in a good investment in the housing that they live in. In the cities outside Kathmandu valley, the housing situation is not different from Kathmandu. As Arif Hasan, an urban planner and development advocate, correctly writes policies are anti poor and there is no provision of providing housing or land at an affordable cost to the poor, but when people have acquired housing themselves, they have been bulldozed to the periphery of the cities. Many excuses are made to settle them in a proper place saying it's an expensive land, meaning expensive land has to be for the commercial purpose.

Most of the informal communities' houses were found built with wall of bamboo and roof of straw. Almost 75% communities' houses were made of Bamboo wall and about 97% communities have straw roofed houses. There are some communities where some of houses were made of cement too. The study has found some 36% communities have some houses made of cement wall and some 22% communities have houses with cemented roof. However, the majority of communities have mainly bamboo, mud mortar houses with roof of straw. Compare to the national housing statistics of census 2011, a large number of houses in the informal settlements have temporary nature of housing (97% straw roofs) as against of 19.03% percent of total households in the country having straw roofs.

Lumanti has supported the communities in few cities to conduct report card test on water and sanitation to assess the local governments and service providers' performance in providing water and sanitation service. The results from the report card test in Biratnagar, Bharatpur and Itahari are given below. The Report Card testing on water and sanitation issue was initiated in Thimi and Bharatpur municipality to help citizens identify the strengths and weaknesses of the local government and the service provider and also to initiate action plan to address the problems. The appreciation for the report card test in Thimi and Bharatpur helped its extension in Biratnagar sub metropolitan city,

Itahari and Inaruwa. Report Card test on WASH is also seen as an entry point for improving governance for the improved delivery of basic services.

It is a known fact that lack of safe drinking water and sanitation facilities have resulted worsening public health conditions, deteriorating the living standard of the people with serious economic consequences. Ensuring access to safe and sustainable water and sanitation facilities with sustained hygienic behaviour would contribute to good health living environment, productive lifestyle and also positively impact the overall environment, securing the thousands of poor from water and sanitation related diseases as well.

Recognizing the role of water and sanitation in enhancing the people's life and in alleviating poverty, LUMANTI has taken water and sanitation as one of the important components of its integrated programme and to improve the quality of life of the urban poor. A successful intervention on water and sanitation needs and demand of the urban poor and policy influence for good governance issues on WATSAN is very important. Therefore, Report card testing, an approach introduced by UNDP, was adopted to get aware about the situation before making intervention.

The Report Card testing on water and sanitation issue was initiated in Thimi and Bharatpur municipality to help citizens identify the strengths and weaknesses of the local government and the service provider and also to initiate action plan to address the problems. The appreciation for the report card test in Madhyapur Thimi and Bharatpur helped its extension in Biratnagar sub metropolitan city, Itahari and Inaruwa. Report Card test on WASH is also seen as an entry point for improving governance for the improved delivery of basic services.

“Access to basic physical facilities is their right and to ensure it good governance is required. Similarly, clear pro poor policies should be formulated and implemented. Along with that, government should tap success stories of different places and integrate it in planning and implementing to upgrade life of people living in these informal settlements. And government should reward local governments who for making efforts to reduce inequality in the city.” she concluded.

Experience Sharing by CIUD/PRISM

Ms. Maya Tamang, one of the waste workers and a beneficiary of the Poverty Reduction of Informal Workers in Solid Waste Management (PRISM) project of CIUD shared the experiences saying that she was deprived of education due to poverty and social discrimination. But the prism project has made them understanding about the savings and provided them trainings. The project has also provided them the



free health check up twice a year in Dallu Awash Hospital. She told that the trainings have not been helpful in the lack of capital to start the business. She wants to take up other profession and brighten the future of her children and wants to walk in the society with head held high. There are few organizations that have helped them by giving gloves, boots, apron etc.

Similarly, Ms. Shanti Tamang, another informal waste worker shared her experiences working with the waste and living with the stigma in the society. She makes 100-200 per day and it is not enough. "There have been remarkable changes with the community perception and the work discrimination has been lessened due to the PRISM project," She said.

Floor Discussion:

Mr. Dibeshwor Prasad Shrestha asked Ms. Lajana that the squatter settlers are engaged in one or other occupation and how much they earn and if they could afford to rent a house.

Ms. Lajana replied that the monthly income can range up to Rs 10,000. She shared that in Kohalpur there is rental housing and the squatter settlers repay the loan with 25% interest. The similar housing is being constructed in Dhobighat, Lalitpur. The rental housing can mitigate the problem of informal settlements. However, the community led process should be given a priority. Further, she stressed that the government should invest in the rental housing to the low income groups.



The session chair, Dr. Horst Matthaeus, Coordinator, Governance at GIZ wrapped up the session saying that the problem of informal settlement is small in Nepal compared to other countries like Brazil where the informal settlement is upto 60%. He stressed that the mobilization of community is a major problem and the tag of illegality should be removed from them.

Session IV:

Paper on 'Political Role and Mandate to ensure Urban Governance in Reference with Urban Poverty' by Dr. Chandra Dev Bhatta, Program Officer, Fredrich Ebert Foundation (FES) Nepal

Presenting his paper on "The Nexus between Urban Governance, Poverty and Politics", Dr. Chandra D. Bhatta from Fredrich Ebert Foundation, discussed about role of politics for good governance. "If state can give people notion of Governance, poverty can be eradicated," he summarised his paper.



“Three elements- freedom, equality and solidarity are very much important to alleviate poverty and to ensure democratic state.” he stated. History of worlds shows every revolution has occurred due to friction between freedom and equality. Every rich person wants to earn more property and freedom, meanwhile poor look for equality, this is human nature. “If we can change this human nature and maintain balance between freedom and equality, then everyone can feel democracy,” he added. However, solidarity is the most vital element for poverty alleviation. If rich help poor to uplift their quality of life, the poverty is likely to alleviate. “In eastern society, our culture and inspires people to donate (daan garnu). Though people do it to get rid of vicious circle of poverty as mentioned in our holy books, it is intensely related to solidarity and poverty alleviation”, he quoted.

In reference to the national census 2011, he said, “Migration is rapid from rural to urban. This is pressurising the resources in urban area along increasing urbanization”. He also stated the fact that by 2030 more than half of the world population will live in cities in Nepal, latest data shows 17% people live in urban areas. There is huge gap in demand and supply of the basic services and facilities.

Since resources are limited, class struggle between rich and poor is likely to increase, threatening the security system of urban. He emphasised saying, “When security of people is at risk, good governance cannot be ensured because main motive of governance is to provide security to people. When there is a vacuum in national security system there is no way that one can ensure governance.” The problem is inevitable if class gap increases, but it is not unavoidable. 'Introducing a sound democratic political system to address these issues and alleviate poverty are the only ways to ensure good governance', he added.

However in context of Nepal along other third world country the principle of democracy has change from 'By the people, for the people and of the people' to 'buy the people, far the people and off the people'. “Since any political system prevails till it retains patience of poor, we should change this modified principle to the original one to retain patience of poor and stabilize a sound political system,” he stressed. It is also necessary to make marginalised people feel existence of democracy and they are a part of it. In contrast to this, the political system is Nepal has been changing frequently and is very instable. Rule of law has been limited into slogan only. So far 42 prime ministers have ruled our country. But none of them could complete their service period, because they were overthrown. “Being unable to alleviate poverty is the main reason behind it,” he suggested. He presented the points which should be the goals of good governance which are:

- Efficient service delivery
- Ensure urban poor also benefit from economic benefits created by the urban economy
- Ensure security
- Efficient interaction between state, market, and civil society
- Increased Civic Participation [urban youths]

He presented the challenges of good governance and addressing to the poor as following main points:

- Lack of cooperation between state, market and civil society
- Creation of dual public sector
- Large informal sector
- Weak public institutions
- Privatization of public services
- Difficult livelihood [housing, electricity, water, transportation, jobs]
- Elite public sphere
- Security lapses
- Absence of civic leadership
- Huge gaps between haves and have not-s
- Key issues of the urban poor
- Limited access to income and employment
- Inadequate and insecure living conditions,
- Poor infrastructure and services;
- Vulnerability to risks such as natural disasters, environmental hazards and health risks particularly associated with living in slums, spatial issues which inhibit mobility, transport; and inequality closely linked to problems of exclusion.

He elaborated on these points saying that state is established to protect the weak ones, for the same governance is required. It's a job of government to formulate suitable policy so that each individual can participate to ensure good governance. However, in Nepal no government has been able to ensure it. In this very context whether its urban or rural, no place is capable of providing services to growing population and poverty. Whether its security or any other physical need in both rural and urban, the situation is very critical, he elaborated.

Nevertheless, from security perspective rural is quite safer than cities. As, if something undesirable occurs, they have social safety net to recover. However, cities lack that social safety net. Since Kathmandu valley has transformed from a rural to urban area, it has some degree of social security and harmony. But those cities that have been settled later as urban lack social capital. But with growing urbanization, mutual help and coordination and our social capital also gradually decrease. At present government is not able to meet the demand of growing population, neither we have any backup nor security or transparency in the system. In this situation poor will be the most affected victims. So governance is vulnerable in case of our urban, he added.

But problem of urban in Nepal doesn't end here, he added. Existence of dual public sector is another problem. Civil society, economy and government, these three bodies do not have very cordial relation. Because of this economy of the country has weakened. Public sector where poor intensively and adequately interact, such as, public institutions have weak position in society. Not only that due to

development of information technology expectation of people living in urban has also raised further. This has increased relative poverty in urban, he described.

Also access to luxury more than basic need has contributed in increasing relative poverty, he added. Pointing at the sustainability of activities carried out by NGOs he said, “There are 4000 VDCs and 40000 active NGOs in the country. Each organisation carry out different projects in these VDCs, however situation at these VDCs have not changed significantly.” “That means there is some gap in actions and reports presented. These organisations along with media and civil society are in hands of 10% of urban population, which is also called the elite group.” He blamed NGOs of being inorganic. When the civil society or the organisations which are the voice of voiceless are captured in hands of these elite group, citizen are equivalent to dead people as they cannot communicate with the state, he expressed. His analysis of Civil Society, Trade Unions, and Media included the points as follows:

- Too many NGOs, Trade Unions, and media but issues of the 'governance' and that of poor are rarely raised
- Elite controlled public sphere
- Inorganic civil society, heavily dependent on donors
- Tied by the projects
- Heavily politicized TU [only speak for those who are organized]
- Tension between labor-capital
- Media anti-labor and pro-capital
- Do not promote the concept of citizenship

“Recycling of policy and recycling of people is the main hindrance to alleviate poverty in Nepal,” he quoted one of the research findings. And further added, existence of functional state is necessary to ensure security that ensures democracy which is very much essential to ensure transparency, human right and good governance. For this legitimacy is required, this comes from election that has not been done for a long time in the country, he lamented.

Further speaking about challenges of urban poor, he told that, access and capability to achieve the basic facilities is the main challenge of urban poor. While considering economic condition of the country, we are promoting consumerism. However we do not produce adequately. We are promoting capitalistic society which is not in favour of poor, he added. He said, “The market that we are creating in these urban areas can't give employment to poor. The market demands highly qualified manpower and there are rarely those kinds of people amongst urban poor.” Until we promote poor friendly economic environment, poverty alleviation is not possible. Also, promoting such environment in urban can solve problem of adjacent rural areas which in return will result in less pressure upon urban areas, he suggested.

Highlighting necessity of governance he said, “Governance promotes efficient service delivery.”

Participation is integral part of governance hence it promotes interaction among state market and civil society. This will help in bridging gap between rich and poor and increases social security. “However, to meet these goals of governance active participation of youth is necessary via any suitable way. But interest of youth in politics of Nepal is decreasing. This is a challenge to ensure good governance, as only political will can ensure good governance in the country, which is quite unstable at present,” he commented.

Further he presented his analysis of different stakeholders of good governance to conclude that these organisations are heavily politicised. He said, “Though many organisations claiming to be voice of voiceless exist in the country, issues of governance and poor are rarely raised.” He further added, the organisations are controlled by the elite group and are donor driven carrying out short term projects only. Tension between labour and capital is another problem, he said pointing at numbers of sister organisation of different political parties' in industries. He also blamed political parties for hindering governance by promoting caste based identity instead of concept of citizenship.

Making his recommendations overcoming these issues of poverty as a whole and urban poverty in specific he said, “Creation of functional state is the only way to ensure governance and alleviate poverty.” A state should perform function of punishment to guilty, collection of revenue, retain loyalty of people and maintain international recognition. However, it is done by other organisations also, that should be stopped. In context of Nepal we are lagging in all sectors. But still we should put our effort to promote democracy at all level ensuring public participation for good governance. Poverty alleviation is only possible if public institutions are strengthened. Along with that making clear understanding of interconnection between urban and rural is a must to redefine our definition of urban to lead for suitable policies.

All formal and informal sectors including political parties should participate in ensuring right of people and work for their benefit instead of organisational benefits. And social capital and social safety nets, defining the targeted group should be considered for backup during urbanisation. “Ensuring functional state to manage pro poor policy and economy for social welfare through strong political will and good governance can solve problems of people of country whether it's rural or urban. Participation of poor is integral part to promote democracy which should be ensured in our context as well. Nepal has all required resources for its development but a visionary leadership and strong policy to guide it”, he added. He suggested some points as way forward for addressing urban issues and good governance which are as follows:

- Creation of a functional state [strengthening existing institutions and creation of new ones]
- Promote democracy at the local level
- Ensure civic leadership
- Restoring civic governance

- Strong public institutions
- Enhancing the role of formal and informal intuitions
- Define what is 'urbanity' in the context of Nepal and what are the challenges faced by the urbanites [there is no rural-urban demarcation in Nepal because of the composition of society]
- Development of urban polity
- Political parties should play key role in developing autonomous policy framework to uplift the poor and powerless, and ensure the notion of good governance
- Politics is public
- Mobilization of formal and informal institutions.
- Promotion of virtual public sphere
- CSOs/NGOs should promote social capital
- Social safety nets

He concluded his presentation asking, "Is good governance a misplaced concept in the context of Nepal?"

Experience Sharing by Ms. Manju Pokharel

Ms. Manju Pokharel, a landless citizen shared her experience how she became landless. Her father in law had two wives and the elder one was her mother in law. Her mother in law was not given any property by her husband and abandoned by the family. Thus, Manju's family became landless. She questioned the government legislature why a bona fide citizen has to be a landless for the 3 generations to be entitled to the facilities given by the government definition of landless? This is ironically a procedure of making the poor even poorer, she remarked.



Floor Discussion:

Mr. Prafulla Pradhan and Mr. Dibeshwor Prasad Shrestha asked with the same curiosity to the presenter if Nepal is on the verge of being a failed state according to his presentation. Also Ms. Lajana commented that instead of being critical to the policies and politics of our country we should initiate things on our own as our life has not stopped even during Maoist insurgency. There are cases in Brazil where government does not exist but civil society organizations have been doing exemplary works. Mr. Prakash Amatya commented on the presentation that there is very low employment opportunity in urban areas but the previous presentations of the workshop stated that the urban areas are the economic hub. He also asked the reason he described civil society organizations as inorganic while there are many I/NGOs working towards poverty eradication and on several other social issues.

Mr. Om Thapaliya, questioned if we have good governance in our country? And if we have governance what degree of governance do we have?

In the reply, Dr. Bhatta said that Nepal is not a failed state but a weak state for sure. He said that urban areas fail to meet the demand which surpasses its capacity. But we all should work towards making our country an effective state. There is obviously the absence of the governance in the country where the poor and weak ones have not been able to feel it in their daily lives. Hence, the governance should be managed efficiently. He also responded to one of the questions saying that most of the NGOs don't have original ideas and those suitable to curb the real situation of the country but are working on the issues that are preferred by the donors.



The session chair Mr. Keshav Sthapit, Development Commissioner, Kathmandu Valley Development Authority (KVDA), wrapped up the session saying that there are possibilities that the landless can be given the status of the city dwellers within four years which is being halted by political conflicts.

Summing up by Mr. Prafulla Man Singh Pradhan

Mr Prafulla Man Singh Pradhan closed the session with the summary of deliberations and discussions made throughout the workshop. He highlighted some of the main points like how the definition of poverty was important and the necessity of inclusion of issues of urban poverty was important for the real development of the country. He also referred to the discussion during technical session and said that the perspective of poor and marginalised should be considered to ensure citizen's perspective in good governance. He said that it was unfortunate to know that 20 ministries have been working for poverty alleviation but it is not co-ordinated to make concrete results. He recalled a point during discussion that poverty and issues of the poor should be addressed according to the places rather than generalising it. He also pointed out the need for mass transportation to the poor. He also stressed that the political power of the poor. He highlighted the points discussed under urban management topic and said that there should be linkages between rural- urban poverty and one should proceed for the management with the eye of good governance. He stressed that cities should be prosperous and should do just to all. He also stressed one of the points discussed under informal settlements saying that the tag of illegality should be removed from it and we should have sensitivity, emotion and commitment to curb the situation. He concluded the closing session saying that these issues should be addressed from the policy level.



ANNEXURES:

- I. List of Resource Persons and Panelists
- II. List of Participants
- III. Power Point Presentation of Resource Papers
 1. Citizen's Perspective- Urban Policy, Plans & Programs'
 2. 'Government Perspective-Policy, Plans & Program towards Urban Governance
 3. Government Public Services and Accessibility of Urban poor
 4. Political Role and Mandate to ensure Urban Governance
 5. Session Chair Person's Remarks
 6. Case Presentation of Hetauda Municipality
 7. Case Presentation by CIUD/PRISM

ANNEXURE I: List of Resource Persons and Panellists

- Session I: Paper Presenter- Dr. Pushkar Bajracharya, Former Member, National Planning Commission
Session Chair: Dr. Pitamber Sharma, Former Vice-Chairman, National Planning Commission
- Session II: Paper Presenter- Mr. Suresh Prakash Acharya, Joint Secretary, Ministry of Urban Development/GoN
Session Chair: Prof. Dr. Jagadish Chandra Pokhrel, Former Vice-Chairman, National Planning Commission
- Session III: Paper Presenter: Ms. Lajana Manandhar, Executive Director, Lumanti
Session Chair: Dr. Horst Matthaeus, Coordinator, Governance, GIZ
- Session IV: Paper Presenter- Dr. Chandra D. Bhatta, Program Officer, FES Nepal
Session Chair: Mr. Keshav Sthapit, Commissioner, Kathmandu Valley Development Commission
- Case Sharing I: Dr. Chandra Mani Adhikari, Sr. Economist,
Case Sharing II: Mr. Dhruva Bahadur Bhujel, Chief, Social Welfare Department, Hetauda Municipality
Case Sharing III: Ms. Maya Tamang, Beneficiary, CIUD/PRISM Project
Case Sharing IV: Ms. Manju Pokhrel, Member, Nepal Mahila Ekata Samaj
Note Keeper: Mr. Prakash Amatya, Freelancer
Summarizer: Mr. Prafulla Man Singh Pradhan, UN Habitat Regional Adviser

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ANNEXURE: III/1 Urban Development and Policies Citizen's perspective

Dr. Pushkar Bajracharya

Former Member/NPC

What is a city?

Urban and Rural areas:

- Urbanized Area (UA): Densely settled core of blocks and surrounding blocks such that pop. Density is high
- Urbanized Cluster (UC): Small version of urbanized area. Pop.
- Rural area (RA): Not UAs or UCs

What is a city?

Metro(micro)politan areas (MSA).

- Metropolitan area (MeA): Includes at least one urbanized area
- (UA) such that $N > 50,000$
- Micropolitan area (MiA): Includes at least one urbanized
- cluster (UC) such that $10,000 > N > 50,000$

What is a city?

Economic City: Area with a relatively high population

- density that contains a set of closely related and economically integrated activities (flow of workers, money, etc...).

Political City: Area over which a municipal corporation

- exercises political authority, providing local government
- services and collecting taxes.
- municipality where a municipal corporation exercises political authority and provides local services

Why do cities exist?

Three factors that make cities desirable

- Imperfect factor mobility (impeding the elimination of natural resources advantages).
- Imperfect input divisibility (generating scale and agglomeration economies).
- Imperfect mobility of good and services (it's better to be close to producers)

Why do cities exist?

- To generate additional production to feed cities
- To generate resources to buy food
- Transportation and exchange

NO cities if:

- Equal productivity across areas.
- No scale economies in production.
- No scale economies in transportation.
- Equal preferences across areas.

Implications of urban development

Positive

- Higher economic growth
- Creation of employment opportunities
- Higher income (poverty level – Nepal-19859, Kathmandu 40000)
- Higher quality of life
- Better services

Implications of urban development

Positive

- High costs
- Pollution, congestion
- Higher crimes and social disturbances
- Evaporation of peace and tranquility
- Increased migration
- Creating destitute

Urban growth in Nepal

- 2001- 3.2 million
- 2011 – 4.5 million (growth 4% plus)
- 2012 estimate (all urban character) – 7 million

Features of urban economy in Nepal

- About 17% people live in urban areas (actually may exceed 7 million)
- Over 90% of formal sector jobs and about half of informal jobs created in the urban sector
- Substantial portion of government revenue generated in urban areas (eg 51 % in Kathmandu valley, 23% in Birgunj)
- Urban income over 3 to 3.5 times of the rural average income in Nepal
- Urban consumption 3.5 to 4 times higher than rural consumption
- Significant contribution in GDP

Poverty in Nepal

- Absolute vs relative poverty
- Poverty levels

	Criteria	Level %
1992	2250 kcal	45
1995/96	2123	42
2003/04	2143	31
2010/11	2220	25

Poverty in Nepal

- Poverty decreasing
- Mainly caused by external factors rather than own efforts
- Isolated examples of successful initiatives
- Poverty, however, not tolerable and must be addressed quickly say 10 years

Urban poverty

Poverty Level	Rs poverty level
Nepal	19,859
Kathmandu valley	40,933
Hill	19,577
Terai	21,133
Nepal	25.2
Urban	15.5
Rural	27.4

Urban poverty

- Urban poverty still high
- In certain areas chronic
- Even in Kathmandu valley size high in absolute numbers
- Generally given lesser importance
- Problem will persist due to migration
- Issue of squatter settlements

Urban poor

Urban poor live with many deprivations

- limited access to employment opportunities and income,
- inadequate and insecure housing and services,
- violent and unhealthy environments,
- little or no social protection mechanisms, and
- limited access to adequate health and education opportunities.

Trends

- Urban growth will continue to be high as only 17% dwell in urban areas
- Economic activities expected to continue to concentrate
- Foreign employment also is expected to contribute to further concentration in urban areas as they are hardly expected to return back to rural areas
- Remittances also concentrating in urban areas
- Transportation and other means too going through major cities (development initiatives)

Issues

- Unplanned and haphazard growth of urban centres
- Haphazard concentration of economic activities leading to chaos and congestion
- Sustaining growth and development
- Pollution and environmental degradation
- Higher unemployment (7/8% compared to 1.9% in rural areas, one study (2005) showed 17% unemployment in Kathmandu)

Policy and institutional reform

- Land, housing and urban services.
- Financial markets
- Labor markets and employment
- Social protection and social services (health, nutrition, education and security)
- Environment.

Issues

- Continued high level of migration due to economic, political and social reasons
- Rapid rise in land/property prices
- Higher health costs
- Increasing paucity and scarcity of services eg drinking water, electricity, solid waste disposal, transport, parking, amenities etc.

Strategies

- Planned development of cities
- Enforcement of activity zoning
- De-concentration of economic activities, power, social and other activities (federal structure may help to some extent)
- Segregation of activities or cities as industrial cities, trading cities, medical cities, education cities, tourism centres, religious cities backed up by policies
- Determination of carrying capacity and developing benchmarks based on resources, services and gearing policies towards this end
- Promoting backward and forward linkages
- Spatial planning
- Service management including drinking water, solid waste disposal, power, fuel, parking, roads etc.

Strategies

- Improve labour and capital productivity
- Integrate land use and infrastructure
- Improve the efficiency of urban infrastructure
- Protect and sustain natural and built environments
- Improve environment and air quality
- Manage resources sustainably
- Increase resilience to climate change, emergency events and natural hazards
- Facilitate the supply of appropriate housing
- Support affordable living choices
- Improve accessibility and reduce dependence on private vehicles

Strategies

- Support community well being
- Improve the planning and management of urban areas
- Streamline administrative processes
- Evaluate progress

Principles to guide urban policy development and investment

- Efficiency
- Value for money
- Innovation
- Adaptability
- Resilience
- Equity
- Afford ability
- Integration
- Engagement.

Govt. Policies

- Objective
- To develop safe, clean and economically dynamic cities and to establish link urbanization with basic urban services.
- To encourage and facilitate for the construction of safe, efficient and environment friendly buildings and private housing.
- Strategy
- Develop safe, low cost and environment friendly housings.
- Develop appropriate settlements and cities from the environmental and social perspective.
- Provide housing service to the poor group of society.
- Promote public private partnership in this sector.

Govt. Policies

- Implementation of national building code will be made obligatory and skilled architects and technicians will be produced in order to construct qualitative, less costly and safe buildings.
- Updated and effective regulatory provisions for the construction of multi-storey building in the urban areas will be made.
- Systematic cities will be developed along the main highways.
- Satellite cities will be developed around the capital city.
- Sustainable and systematic urban development plan and settlement development program will be implemented.
- A functional coordination among the actors related to housing and urban development will be promoted.
- Institutional capacities of local bodies and central government organs will be enhanced for conducting necessary research in this sector, and the regulatory system will be strengthened.
- An integrated infrastructure development activity will be carried out at least in five regional cities, one from each development region.
- An integrated infrastructure development activity at least for five medium and five small towns will be carried out near to the north-south and mid-hill highways.

- The work of preparing city profile, resource map and periodic plan of all municipalities will be completed in the coordination and cooperation with Ministry of local development, local bodies, civil societies and donor agencies.

Govt. Policies

- Standards will be set for conducting development activities in a manner that make the national and state level towns, community settlements and private housing healthy and safe.
- The rural settlement development program will be managed through land pooling arrangements.
- An environment friendly and efficient housing service will be extended in order to provide housing service to the poor people of society.
- Housing and settlements will be developed through public private partnership model.
- Economic infrastructures like mega bus parks, recreation parks, IT parks, and exclusive financial zones will be developed at least in three municipalities by modifying the existing system of public private partnership and establishing institutional structures as per the necessity.
- An investment plan will be prepared for the development of large infrastructures, housing and settlement in the urban areas.
- A separate appropriate institutional mechanism will be established for carrying out the works related to urban infrastructure development and urban governance in an integrated and coordinated manner.

Govt. Policies

- No focus
- All encompassing without vision
- Lesser emphasis

Conclusion

- Urban development a part of overall development and therefore must be inculcated into the broad policy framework
- Integrated strategies and holistic approach needed
- Careful planning and implementation

-----THANKS-----

ANNEXURE: III/2 Policy, Plans and Programs Towards Urban Governance: Nepal Perspective

Mr. Suresh Prasad Acharya
Joint Secretary

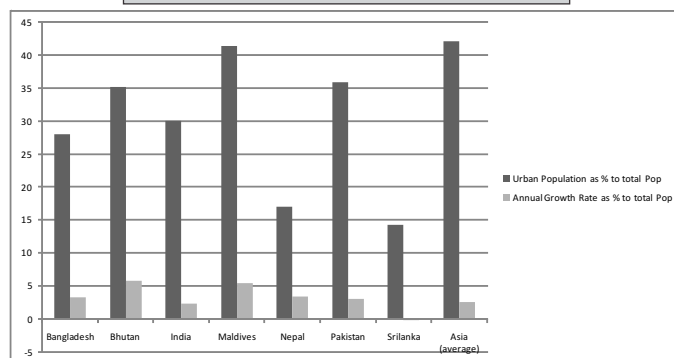


Ministry of Urban Development

Presentation Summary

1. Urban Scenario
2. Five elements for better urban management
 1. Funding
 2. Governance
 3. Planning
 4. Sectoral Policies
 5. Shape
3. Conclusion

Urbanisation in South Asia



Urban Scenerio

Urbanisation in South Asia 2010

S.No.	Country	Urban Population as % to Total Population	Annual Growth Rate as % to total population
1.	Bangladesh	28.07	3.29
2.	Bhutan	35.21	5.80
3.	India	30.01	2.34
4.	Maldives	41.38	5.39
5.	Nepal	17	3.38
6.	Pakistan	35.90	3.01
7.	Sri Lanka	14.31	-0.17
8.	Asia(average)	42.17	2.56

Source: Nepal Urban Housing Sector Profile; UN Habitat 2011

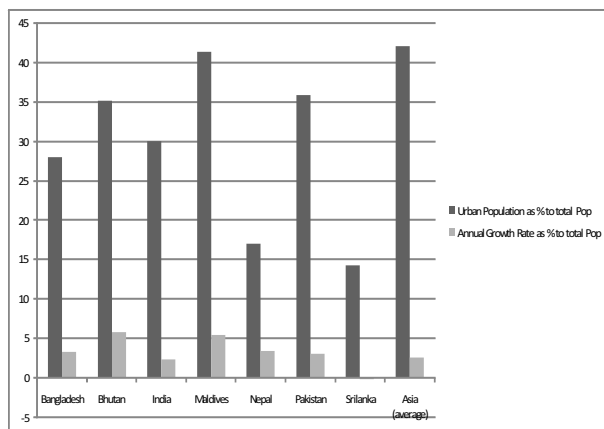
Source: Urban Challenge in South & South Asia

Urbanisation and GDP Linkage

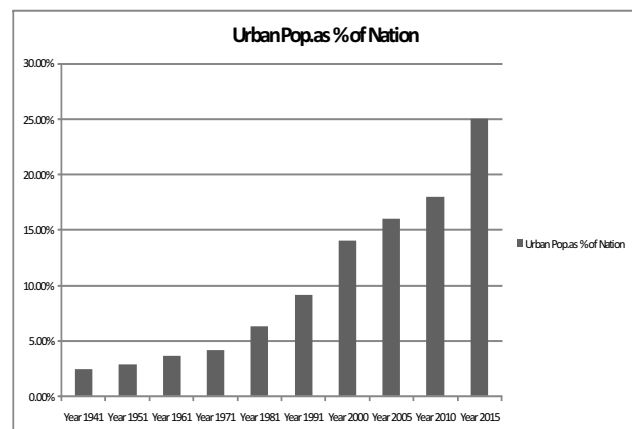
S.No.	Country	Urbanization level 2010%	GDP Per Capital 2009 US\$ in 00
1.	Bangladesh	28.07	5.51
2.	Bhutan	35.21	18.31
3.	India	30.01	11.92
4.	Maldives	41.38	47.60
5.	Nepal	17	4.27
6.	Pakistan	35.90	9.55
7.	Sri Lanka	14.31	20.68

Source: World Bank Report

Urbanisation Level VS GDP



Urban Growth Pattern



Indication of Urbanisation in Nepal

Item/Year	1941	1951	1961	1971	1981	1991	2000	2005	2010	2015
No. of Towns	3	10	16	1971	1981	33	58	58	58	99(?)
Urban Pop. in 000	156	228	336	462	958	1693	3300	4300	4525	<7000
Urban Pop. As % of nation	2.4	2.8	3.57	4.1	6.3	9.11	14	16	17	<20
Urban Pop. Growth Rate				3.32	7.55	5.89	4.23	6.4	3.38	6.4(?)
National Pop. Growth Rate					2.7	2.1	2.44	2.25	1.40	2(?)

Source: Strategy For National Urban System 1999, The State of Asian Cities 2010/2011

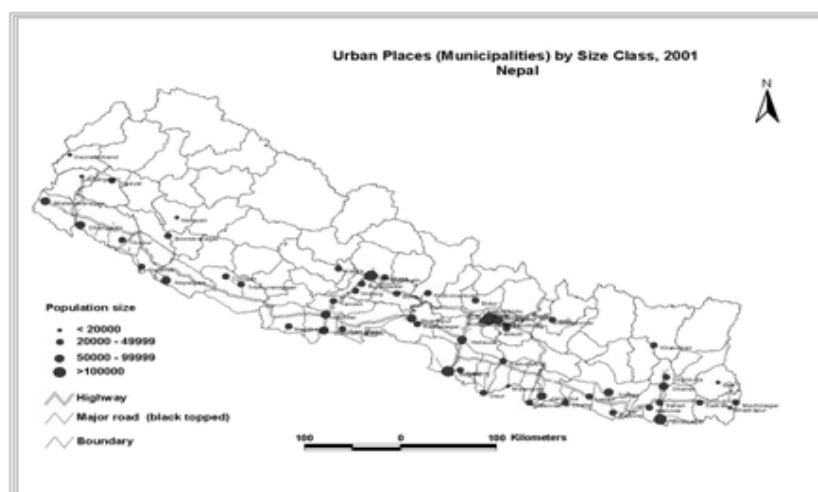
Urbanisation Scenerio of Nepal

Without taking into consideration 132 small Towns

S.No	Description	Urban	Rural
1	Population (Census 2011)	17%	83%
2	Population Growth Rate	3.38%	1.03%
3	Population Density	1380 per Square Km	153 per Square Km
4	Poverty Profile (Census 2011):	15.46%	27.43%
5	Housing Scenerio:	69% live their own house, 26% in rental house	95% live in their own house, 3% in rental house

Road Density of Different Municipalities

S.No	Municipalities	Population	Road length(Km)	Ratio (Length: Pop)
1	Kathmandu	924,752	728	1:1270
2	Lalitpur	206,111	52	1:3964
3	Bhaktapur	124,493	58	1:2146
4	Pokhara	219,215	285	1:769
5	Dharan	122,194	192	1:636
6	Birendranagar	38,911	76	1:512



Characteristics of Nepal's Urbanization

- Least Urbanised Country in Asia with higher rate of urbanisation
- Extreme ecological, regional differences; unbalanced Growth
- Large share of Population with little access to basic social services
- Primacy of capital city Kathmandu remains strong
- Poor economic base; mostly service based economy with very little manufacturing,
- Migration to urban areas significant and increasing
- Inadequate, poor and unmanaged physical infrastructure
- Weak revenue base and institutional structure

Basic Elements For Better Urban Management

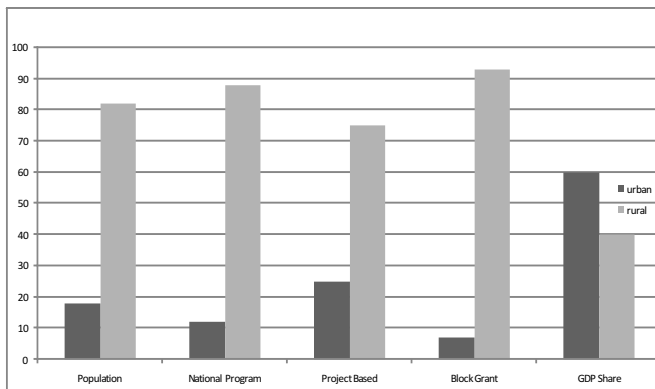
- **Funding:** Internal Resource, Government Grant, Private Sector
- **Governance:** Empower City Administration, Modernize service delivery Structure
- **Planning:** Allowing to use scarce resource such as land
- **Sectoral Policies:** Job Creation, Public Transportation, Affordable Housing and Disaster Mitigation
- **Shape:** Regional Balance and Federal Structure

1. Funding

Government Initiatives in Urban Investment

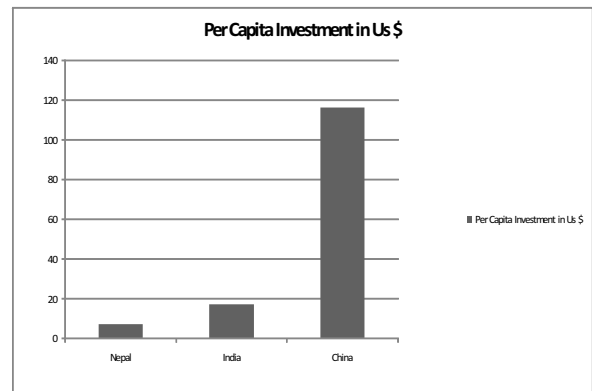
- **Urban and Environmental Improvement Project (UEIP):**
 - 9 municipalities: Banepa, Dhulikhel, Panauti, Bidur, Hetauda, Bharatpur, Ratnanagar, Kathmandu, Kamalamai,
 - Total Project Cost: US \$ (Million) 37.50
 - Status: Completed (2003-2010)
 - Donor: ADB
- **Secondary Towns Integrated Urban Environmental Improvement Project (STIUEIP):**
 - 3 municipalities: Biratnagar, Birgunj, Butawal
 - Total Project cost: US\$ (Million) 106.33
 - Status: Ongoing (2010-2015)
 - Donor: ADB
- **Integrated Urban Development Project (IUDP):**
 - 4 Municipalities: Dharan, Janakpur, Siddharthanagar, Nepalgunj
 - Total Project Cost: Nearly US\$ (Million) 91.2
 - Not yet finalised
 - Status: preparing to start in 2012
 - Donor: ADB
- **Urban Governance and Development Programme (UGDP):**
 - 6 Municipalities: Mechinagar, Itahari, Dhankuta, Tansen, Lekhnath, Baglung
 - Total Project Cost: US \$ (Million) 35.13
 - Status: project preparation going on
 - Donor: World Bank

Public Infrastructure Expenditure Survey



source: Urban Growth & Spatial Transition : an initial assessment
WB Report 2012

Per Capita Investment in US\$



Investment Neet in Urban Area

- On the basis of Periodic Plans prepared by municipalities, average need of investment for five years has been estimated as follows:
 - 15 small municipalities @ Rs3000 million = Rs 45000 million
 - 20 medium municipalities @ Rs 4000 million = Rs 80000 million
 - 12 bigger municipalities @ Rs 7000 million = Rs 84000 million
 - Kathmandu Metro City @ Rs 15000 million = Rs 15000 million
 - Total Need = Rs 224000 million for five years
- The total investment need in infrastructure = Rs 45000 million annually
- Total expenditure in infrastructure (F/Y 066/067) = Rs 4000 million
- Total Investment Deficit in infrastructure in average = Rs 41000 million annually
(source: Local Body Financial Commission Report)

Future Plans (proposed)

- National Urban Investment Policy : To explore new areas of sources of local revenue, to mobilize and motivate private sector and commercial banks for investment in urban infrastructure, to devise several tools to provoke municipalities for enhancing status of infrastructure services, to use urban land as resource for development etc.
- Rural Urban Linkage based development model:
Urban development for supporting rural population
- Five Year Financial Resource Mobilization Plan for Urban Areas
- Promotion of PPP concept in urban infrastructure development

2. Governance

Standard Definition of Governance

- **UN Habitat Definition :** Urban Governance can be stated as the sum of many ways individuals and institutions, public and private, plan and manage the common affairs of the city. It is a continuing process through which conflicting or diverse interests may be accommodated and cooperative actions can be taken. It includes formal institutions as well as informal arrangements and the social capital of citizens.
- Eight main stakeholders in urban governance. Their mutual interactions enable urban societies to evolve consensus, formulate and enforce laws, adopt and enforce regulations.

Basic Stakeholders in Urban Governance

Source: UNESCAP 2011



Present Scenerio

- One Metro, 4 Sub Metro and 53 Municipalities
- No elected body since 1997, CEOs get frequent transfers, problem of unstable administrative structure
- Shortage of technical manpower in municipalities
- Lack of motivation for working staff at municipalities
- Overlapping authority and responsibilities and insufficient monitoring capacity are great hindrance to good governance

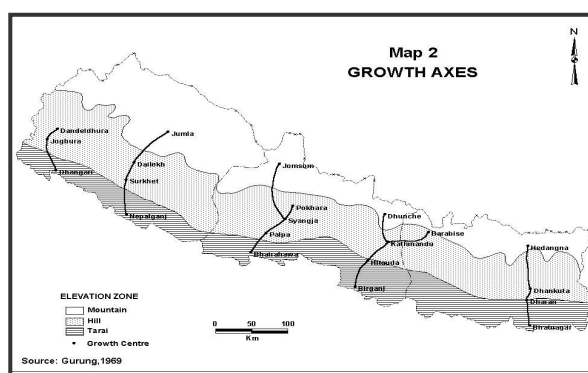
Future Plans (proposed)

- Urban Development has been mainstreamed in development planning, at present periodic plan for municipalities has become main basis for investment by the government as well as donors
- GoN has given priority for development of 10 new towns in mid hill highway, formation of TDC is completed , land acquisition for urban services is on process and planning norms for new town development is being developed

3. Planning

Urban Planning Initiatives in Nepal

- Fourth Plan (1970-75) focussed comprehensive development of selected Growth Centers in four growth axes which was extended to five later on
- Seventh Plan (1985-90) hierarchical concept in Urban development by delineating 15 settlements as first grade , 18 as second grade, 66 as third grade and all service centers and market towns as fourth grade
- Eighth plan (1992-97) established a system of planned urban development , several acts and policies were approved by the govt.
- Urban Development has been mainstreamed in development planning, at present periodic plan for municipalities has become main basis for investment by the government as well as donors.
- GoN has given priority for development of 10 new towns in mid hill highway, formation of TDC is completed , land acquisition for urban services is on process and planning norms for new town development is being developed.



Future Plans (proposed)

- Development of 10 cities along the mid hill highway
- Implementation of Clean city programme through development of at least one land fill site in every municipality, sanitation programme, safe drinking water supply programme etc
- Urban Regeneration programme by implementation of House Pooling Projects in Old settlements (Core area)
- Enforcement of National Building Code in every municipality

4. Sectoral Policies

Policies Intervention

- National Urban Policy 2064 (2007)
- National Shelter Policy 2068 (2012)
- Formation of MoUD, KVDA
- Others

National Urban Policy 2064 (2008)

Objective:

- To achieve a Balanced National Urban Structure through proper guidance to physical infrastructure development and investment
- To achieve Healthy Secure and economically Vibrant Urban Environment in order to bring about improvement in living standards of urban residents
- To strive towards Effective Urban Management through legal empowerment and institutional strengthening of the local government bodies and through effective co-ordination among and capacity building of the agencies associated with urban sector development

National Shelter Policy 2068 (2012)

Objective:

- To increase safe and environment friendly housing supply for all income groups and improve existing condition of housing
- To mobilise effectively the necessary financial resource for housing development.
- To improve institutional arrangement by clarifying the role of Government Organisations, NGOs , private sectors and community

Sectoral Works under MoUD

- Major Sectors under MoUD as per GON Decision on 18th May 2012 (5th Jestha 2069):
 - Urban Planning and Development
 - Housing Development
 - Building Construction
 - Drinking Water Supply
 - Sanitation
 - Solid Waste Management
 - Urban Environment

Future Plans (proposed)

- Amendment of Local Self Governance Act 2055 and Regulation 2056 to include the role of MoUD in urban management and improved provisions for designating a municipality
- Implementation of related activities of Disaster Management in mitigation, recovery and rehabilitation
- Implementation of National Urban Policy 2064
- Implementation of National Shelter Policy 2068
- Development of housing for the Urban poor as well as improvement of living condition of slums and squatters

5. Shape

First rank:

- Capital City of Kathmandu, border towns e.g. Biratnagar, Birgunj, Siddharthanagar, Nepalgunj, other big cities e.g. Bharatpur, Hetauda, Butwal

Second Rank:

- Administrative Centers of proposed federal states

Third Rank:

- Service Centers and market towns at cross roads of highways
- The hierarchy and linkage with rural hinterland could be basis for investment, spatial planning needed.

Conclusion

- Urban areas are major contributor to economic growth and poverty alleviation
- Do not wait for change rather make the change happened. Need to update and upgrade the institution to make things happen
- Need of adequate Policy Intervention e.g. Urban infrastructure investment policy. Prioritize where, what and how of strategic public intervention
- Need to have partnership with private sectors, banking sectors, and other user groups
- Need for a mission led initiative for urban development.

Future Plans (proposed)

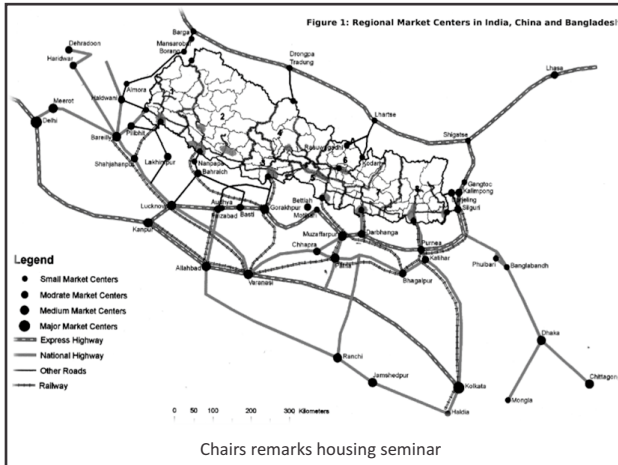
- Amendment of Local Self Governance Act 2055 and Regulation 2056 to include the role of MoUD in urban management and improved provisions for designating a municipality
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- Implementation of National Urban Policy 2064
- Implementation of National Shelter Policy 2068
- Development of housing for the Urban poor as well as improvement of living condition of slums and squatters

Thank You

ANNEXURE: III/3 Chair's Closing Remark Urban Governance Seminar

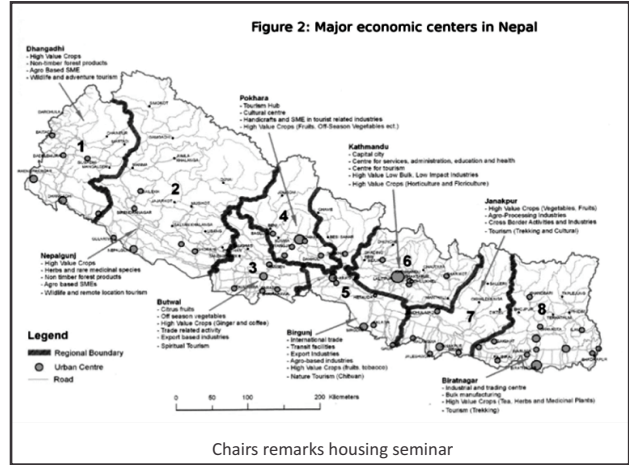
Prof. Dr. Jagadish C. Pokharel
Former Vice Chair Person- NPC
jagadish@pokharel.net

Regional Context



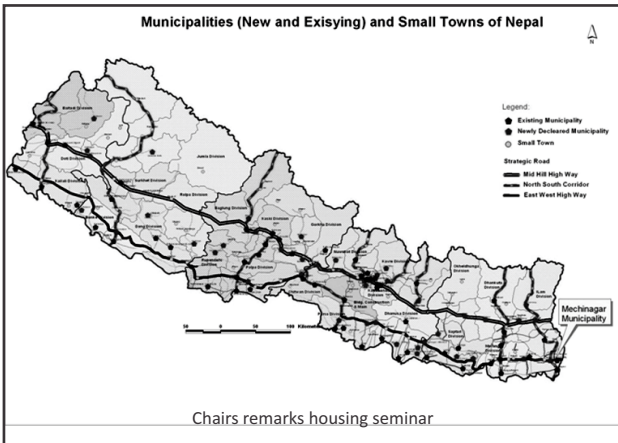
Chairs remarks housing seminar

Regional Centers



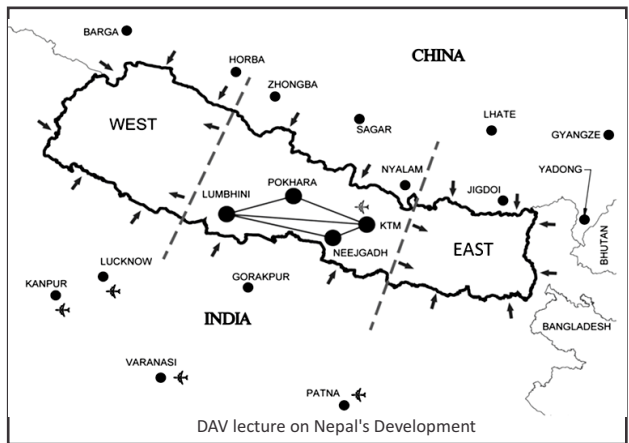
Chairs remarks housing seminar

Roads and Geographic Distribution of urban centers



Chairs remarks housing seminar

Regional Growth Scenario



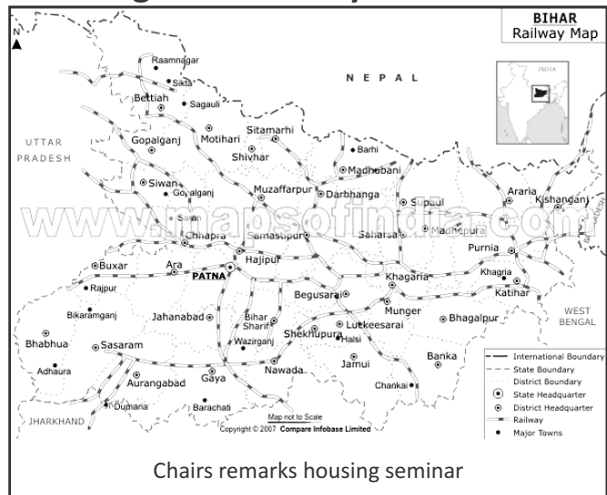
DAV lecture on Nepal's Development

South Asia Region and Nepal



Chairs remarks housing seminar

Regional Railway Network



Chairs remarks housing seminar

Regional Development

- Nepal's Regional Development Context
 - Expanding transport network and connectivity
 - Three major East West Trunk Roads, numerous north south corridors, telecommunication, etc.
 - Mid Hill HW a major breakthrough
 - Connection with both India and China Side
 - Emergence and growth of new settlements and market centers
 - Exploitation of natural resources/ pressure
 - Absence of effective mechanism to maximize the benefits and
 - Minimize the negative haphazard physical growth

Examples

- Surkhet Jumla road corridor presents new opportunities
- Opportunities for economic growth and livelihood improvement
- Chhinchu as a viable economic center
- Surkhet as a true regional center (provincial center in the restructured context)
- Some settlements along the highway demonstrate potential for immediate growth

New Centers

- Some centers include—
 - Baddichaur, Tallo Dugeshor, Paltada, Tuni Bagar, and Rakam
- Political culture at the local level seems changing— local activists are increasingly engaged in local development work and service delivery works to get connected with the people and their constituency
- Possibility of Public Private partnership/ cooperation is visible in development works

Development Governance

- From development governance point of view there is need to act differently to maximize the benefit
 - DDCs function as leaders for development and the prevailing legal and institutional framework helps them to some extent— LDOs are taking lead
 - Limitation is that they are confined to their own district boundary and jurisdiction
 - They need to think beyond their boundary which is not in their mandate

Opportunities for Tapping the Potential

- Distinct ecological advantage in the hills, and plains
- Agriculture, tourism, NTFP, hydropower and also mining of minerals and stones are feasible and likely future areas of development in the region
- Social issues and challenges are there
 - Self esteem and Willingness to grow
 - Equity and justice perception
 - Education and human resource
 - And others

Leadership for Regional Change

- Local development leaders from public and private sector can take this opportunity to push the development to a different level even in this period of transition
- Development can and should take a regional perspective through networking and common regional development vision

Envision Prosperity Through Regional Perspective

- Create dynamic prosperous economic corridor, increase the wellbeing of the people
- Strengthen connectivity
- Promote market/ Enhance private sector participation
- Implement partnership with market and civil society effectively in major sectors— tourism, agriculture, management of natural resource exploitation

Efforts in the Past

- Immediately after the local elections of 2048 and with LSGA 2055
- A wave of decentralized development began
- DDCs and Especially the DDC Chairs released energy at the local level
- Regional meetings of DDC Chairs
- Identification of projects of regional interest
- Knowledge and experience sharing

Dhanyabad

ANNEXURE: III/4 Urban Governance in Reference with Urban Poverty

Contextual Presentation and Sharing of Hetauda Municipality



A National Workshop
30th November 2012, Friday

Presented By:
Mr. Dhurba Bahadur Bhujel
Chief, Social Welfare Division
Hetauda Municipality



Content of presentation and Sharings:

1. Hetauda Municipality- an overview
2. Various Initiations from Municipality on Urban Poverty.
 - (A) Program and projects from donor agencies focusing urban poverty.
 - (B) Program and projects from Municipality focusing urban poverty.
4. Future Scope of urban Governance in reduction of Urban Poverty.
5. Way forward in Re-thinking and re-shaping from Municipality side .

Hetauda Municipality - an overview



Hetauda Municipality: an overview



- Establishment: 2026 B.S.
- Area: 44.5 sq.km
- Ward: 11 (Urban: 7 Semi urban: 1 Rural:3)
- Population: 93,500 approx.
- Total employee: 167
- 5 Division, 13 Sections
- 24 Sub Sections
- Total revenue: 252,581,000.00
 - Internal: 76,039,500.00
 - External: 176,541,000.00
- Recent Major Programmes and projects:
 - RLC Secretariat (giz technical support)
 - SUNYA –towards zero waste/EU in coordination with MuAN.
 - LGCDP /MLD

Hetauda Municipality: at a glance

- Latest MCPM Rank: 3rd (84 marks)
- Socialization:
 - 183TLOs
 - 43 aama samuha
 - SM in 4 wards(6,7,8 and 11)
- Strategic location
- Diversified weather and good climate
- Appropriate location for human inhabitation
- Potential for economic development(HID, schools,banks,transit city)
- www.hetaudamun.gov.np

Various Activities of Municipality on Urban Poverty Issues

- Some of the major projects working for poverty Reduction under Donor's fund:
 - (1) RUPP/UNDP
 - 183 TLOs formed and actively mobilized.
 - (2) LGCDP/MLD
 - Social Mobilization Activities.
 - Capacity Development Trainings (Need based and Demand based Trainings)
 - Socio-economic infrastructures constructions
 - Involvement of Users Group in development projects
 - (3) UN-HABITAT
 - Drinking water and Environmental Cleanliness activities
 - (4) UEIP
 - Community mobilization activities
 - Socio-economic infrastructures constructions
 - (5) UDLE/GTZ
 - Poverty Reduction Programs
 - (6) PPPUE/UNDP
 - Projects focusing public private partnership

Skill Development Training of Bamboo Handicraft



Skill Development Training of Mushroom



Various Activities of Municipality on Urban Poverty Issues

Some of the major projects working for poverty Reduction under Municipality fund:

- Accountability and Transparency maintenance
- Digital citizen charter Board
- E-Bidding Practice
- Optical fiber networking with wards
- Website hosting for general public

Digital Citizen Chartered Board

Service Message Display



Awareness message display



Allocation of Target Group budget and Projects on Annual Plan

- Socio-economic construction projects
(women: children: disadvantage::10:10:15)
- Capacity and skill building trainings
Focus mainly to target groups (women,children,disadvantages) and unemployed
like : tailoring,driving,plumbing,electrician,Public Service Commission preparation classes

Income Generating Sade House



Income Generating Program for livestock



Future Scope of urban Governance in reduction of Urban Poverty

- Update e-governance (e-bidding, e-taxation, e-billing etc) to minimize economic leakage.
- Good Governance can win trust and give feel of responsibility.
- Community and social mobilization.
- Coordination with civil society, social organizations and groups, local level political parties.

Way forward in Re-thinking and re-shaping from Municipality side

- **Investment strategy.**
 - **Local subsidy:**

Projects and program benefited for Community as a whole (basic physical, infrastructure, education, health, sanitation, environment, community building, training on income, generating and skill development, activities, capacity building)
 - **Revolving fund:**

Projects and program directly benefited for Individual Household (construction of low cost toilet, house and improvement of house, initial capital to run the income generating activities)
 - **Matching fund:**
- appropriate tools and policy frameworks for addressing poverty from ministry level.
 - specific discussion of more integrated approaches which draw on both quantitative and qualitative measurements and recognise the need for action at both the macro and micro levels.
- Facility of seed money to trainee after training.
- Political Stability provides rigid framework and way out.
- Monitoring, operation and maintenance process.

THANK YOU

Lajana Manandhar
Lumanti Support for Group for Shelter
30th November 2012

Urbanisation and Public Services

- National census 2011 reports urban growth rate as 3.38 percent, double of the national growth rate (1.35%)
- Important basic services such as water, sanitation, housing, road, health facilities in general may have been improved in the cities, but in the informal settlements the services are very poor.

Comparative data on situation in the informal settlements

Service	Nepal (Census 2011) %	Data from 392 settlements in 19 municipalities (Lumanti, 2011) %
Access to tap/piped water	47.78	26
Toilet facility	61.63	49
Electricity	67.26	72
Bamboo wall	20.23	75
Straw / Thatch roof	19.03	69
Firewood	64	96
Internet (urban)	12.11	4

Accessibility to services



Reasons for poor or no service

- Informal settlements regarded as 'illegal'
- Illegality and poor services goes hand in hand
- Improving service is not a priority
- No or little budget allocated
- Little understanding and internalisation of understanding on 'RIGHT's issues

Role of Lumanti

- Organising the community
- Building a financial base
- Partnering with the local governments and other stakeholders
- Capacity enhancement
- Introducing innovative approaches
- Advocacy at all the levels

Achievements made

- Access to housing, water, sanitation and other services improved.
- Contribution in achieving national and international goal and commitment.
- Support and commitment from the local governments increased.
- Partnership with the commercial banks leveraged fund and set a milestone in increasing access to housing
- Citizen's assessment of the governance through Report Card Test resulted in collaborated efforts to reduce gaps

Recommendations

- Sensitivity, emotion and commitment needed. Access to basic services is a RIGHT!
- Poor friendly governance for prosperous and vibrant city / nation
- Clear and concrete policy and plan in action
- Authority to the local governments to make decisions on the use of public land (for housing the poor)
- Replicate and formulate / incorporate in policy - the proven success approaches.
- Recognition / Award for the local governments for making efforts to reduce inequity in the city
- Continuous dialogue with the poor

The Context

- Rapid urbanisation process, particularly in developing countries poverty can no longer be regarded as rural issue alone.
- By 2030 more than half of the world population will live in cities.
- Rising number of cities [in Nepal, latest data shows 17% people live in urban areas
- Gaps in demand and supply.
- Weak social capital due to demographic shift(family, neighborhood, etc).
- What is the inter-connection between Urban Governance and Poverty; and how politics can address them ?
- How should one understand (urban) governance ?
- How state, market, and civil society interface with each other, when it comes to the issue of urban governance?
- How urban poor can use their voice to influence politics and decision taken by the government ?
- Where does civic leadership/civic acts [LSGA] stand in terms of urban governance and poverty ?

Challenges

- Lack of cooperation between state, market and civil society
- Creation of dual public sector
- Large informal sector
- Weak public institutions
- Privatisation of public services
- Difficult livelihood [housing, electricity, water, transportation, jobs]
- Elite public sphere
- Security lapses
- Absence of civic leadership
- Huge gaps between haves and have not-s

Key issues of the urban poor

- Limited access to income and employment
- inadequate and insecure living conditions,
- poor infrastructure and services;
- vulnerability to risks such as natural disasters, environmental hazards and health risks particularly associated with living in slums, spatial issues which inhibit mobility, transport; and vi) inequality closely linked to problems of exclusion.
- Huge gaps in income
- Information Technology [raises expectations of the urban youths who can go against both the state an system – most of our political movements originated from the urban centres and so is the recent financial crisis]
- Tragedy for the commons

Why Governance ?

- Ensure goals of governance, which are:
- Efficient service delivery
- Ensure urban poor also benefit from economic benefits created by the urban economy
- Ensure security
- Efficient interaction between state, market, and civil society
- Increased Civic Participation [urban youths]





Agency Analysis: Civil Society, Trade Unions, and Media

- Too many CSOs, NGOs, Trade Unions, and media but issues of the 'governance' and that of poor are rarely raised
- Elite controlled public sphere
- Inorganic civil society, heavily dependent on donors
- Tied by the projects
- Heavily politicised TUs [only speak for those who are organised]
- Tension between labour-capital
- Media anti-labour and pro-capital
- Do not promote the concept of citizenship

Way Forward

- Creation of a functional state [[strengthening existing institutions and creation of new ones]
- Promote democracy at the local level
- Ensure civic leadership
- Restoring civic governance
- Strong public institutions
- Enhancing the role of formal and informal intuitions
- Define what is 'urbanity' in the context of Nepal and what are the challenges faced by the urbanites [there is no rural-urban demarcation in Nepal because of the composition of society]
- Development of urban polity
- Political parties should play key role in developing autonomous polity framework for the upliftment of poor, and powerless, and ensure the notion of good governance
- Politics is public
- Mobilisation of formal and informal institutions.
- Promotion of virtual public sphere
- CSOs/NGOs should promote social capital
- Social safety nets

Conclusion

- Management
-  Pro-growth Economy
-  Welfare
-  Democratic Governance
-  Freedom from Fear and Freedom from Want
- Question: Is it a misplaced concept in the context of Nepal ?

HomeNet Nepal

HomeNet Nepal (HNN) is a not for profit, apolitical, social organization formed in 2001. HNN has been regular in its action focusing to the Home Based Workers (HBWs) and other forms of working poor for the recognition, protection and promotion of them through its four major strategic way namely; visibility, policy advocacy, capacity building and linkage development. HNN took the first leap on 2002; as it got registered, expanded its vision and started its initiatives formally on visibility, security (economic as well as social security) and promotion of livelihood of working poor including Home Based Workers in the informal sector.

HNN works with vision to improve the living of every form of working poor through better livelihood in the informal sector by bringing them and their contribution into the mainstream national economy and ultimately ending poverty of them.

HNN acts as a national level network of membership based organizations of various forms working poor from both urban and rural areas of the country which is governed by themselves representing from both MBO and individual and guided by an Advisory Board towards its intrinsic objectives as specified in its constitution.

While working on the issues of urban working poor, it focuses mainly on the livelihood issues of them. While dealing with the urban issues of working poor, it also concentrate on their other key issues mainly; accessibility of urban working poor to the essential public services, their capacity building, safety of women & girls in the public places, disaster resilience of urban working poor and urban governance in reference with urban poverty.



For Further Information

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